

1/16/2017

Annual Report

2015/2016 Financial year

Revised



uMzimkhulu Local Municipality



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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. Mayor's Foreword

Greetings to you all

It is a great pleasure again for me to have this opportunity to have some few words in this annual report for 2015/2016 financial year.

This has been the most significant period and yet characterised by numerous activities across Umzimkhulu as a whole. Its significance came from the fact that, we have been reflecting at what we as the collective of this municipality have achieved in terms of improving the institution as well as the strides we have made in service delivery and development in pursuit of changing the lives of the people of Umzimkhulu from the start of 2011/2016 term thus far.

We have achieved a lot in terms of improving the institution, as we can without any fear point out that, the level of professionalism is so high, hence every department is so determined to perform its duties almost all without relying to consultants and external service providers except in those stringent cases. The year under review has been without any negative exceptional to that. This has been evident through numerous accolades the municipality has scooped, viz: KZN Best performing medium/large municipality-2016; KZN Best IDP – 2016; Top Municipality in Back to Basics in KZN etc.

Our operations have been influenced by aspirations to address lot of back logs the municipality has in terms of electricity in some of our wards that happened to be so neglected for quite a long period, though disturbed by various unavoidable financial circumstances Eskom and the municipality have been experiencing. That has been characterised by a number of protests by community members from these wards. The situation has been so hectic, as the people were demanding service delivery, putting the issue of Local government election as their instrument of bargaining. This showed how the people's level of understanding and analysing the performance of their government has improved, hence democracy is deepening. That is where our main priority should be in the financial year ahead. Out of many various service delivery and development needs from the communities, electricity has been the most demanding and thorny one.

We have promisingly and convincingly done well in other parts. We have managed to deliver access roads, community halls and sports field as per our IDP. In town we are moving towards completing main projects that will add more value in terms of town face lift. Those projects are Traffic offices and Memorial hall,

I feel it would be proper for me on behalf of the leadership of the municipality, to extend the word of gratitude to all who have been part of the municipal collective throughout this ending term.



This I attribute to those councillors who happened to be not coming back and those who were lucky to return, the traditional leadership, the whole management and staff at large and all stakeholders for the commitment and diligence they have displayed thus far. Umzimkhulu municipality would not be where she is, if it was not your unwavering determined efforts and service you rendered to this community. Without any exaggeration, I wish to thank the community of Umzimkhulu at large for their long lasting patience and co-operation to this municipality.

As we are approaching spring season, I am appealing to everyone to dedicate this period towards enhancing green environment by at least planting one or two fruit or indigenous trees in his/her yard. By so doing we will be waging progressive war against global warming. **“Okuncane okuningi kwenza okukhulu, kancane kancane”**.

I thank you



1.2. Statement by the Municipal Manager

I, Zweliphansi Stanley Sikhosana, in my capacity as an Accounting Officer of Umzimkhulu municipality hereby handover the Annual Report for the 2015/2016 financial year in terms of Section 127 of the Local Government: The municipal Finance Management Act No.56 of 2003.

Mainly, the Umzimkhulu municipality is charged with the responsibility to ensure services are being rendered effectively and efficiently to the people of Umzimkhulu. Prudent planning process is reaping fruits for Umzimkhulu municipality because all what was planned by the council was implemented. Memorial Hall as an anchor project for revenue enhancement is nearly complete though there has been challenges on the performance of the Contractor. This project will have a gymnasium, coffee shop and community hall facilities inside. Traffic Offices are mostly complete except that the municipality is finalising the testing ground and other compliance matters from Department of Transport. Testing of licences was revoked by DoT because of compliance issues eventually it crippled the municipality's potential to generate income. By revitalising and improving the structures indeed the revenue will be collected and services be improved to minimise costs for travelling to nearby municipalities to get services.

On housing development, the Umzimkhulu municipality is being stalled by land related matters. Hence Human Settlement and Rural Development have come to the party to reduce the bottlenecks in the implementation of housing programs. Planning of Rural housing will start very soon in the wards of Umzimkhulu municipality to solicit funding of constructing the houses. Electrification is progressing as anticipated however, the communities without electricity are showing signs of discontent. Though the coverage is quite huge as it is sitting at 82 percent of which it is relatively awesome but there is a need to expeditiously connect the rest in order to achieve universal coverage.

Despite all odds, the Umzimkhulu municipality is still amongst the best municipality in KZN. Small as it is, the municipality is one of the role model municipalities which emerged from apartheid setting to where it is today. The umzimkhulu municipality has subdued the imbalances of the past which was meant to subject Umzimkhulu as a village not a decent town. Furthermore, the municipality's IDP was amongst the best in KZN for the two consecutive years which underpins the efforts of making Umzimkhulu as home for investors.

Financial management is a pillar towards financial viability and optimal sharing of resources for the betterment of the organisation. The Auditor General's opinion was an unqualified audit hence they raised more issues on the assets. This came as a result of changing the model from revaluation to cost model.

We are gleefully elated that the municipality was able to adhere to issues of compliance without fail, such as IDP, Budget and Policies. Community participation was done and inputs from stakeholders were incorporated.

As MFMA prescribes that the following documents should be adhered to:

- SDBIP
- Performance Assessments 2015/2016
- The Annual Work Place Skills Plan 2016/2017



Annual Performance Report

In conclusion, the municipality should present the Annual Report as to highlight the progress achieved in a particular financial year. Kindly receive the Annual Report for 2015/2016 financial year.

Mr ZS Sikhosana
Municipal Manager



1.3. Vision, Mission and Strategic Goals

UMzimkhulu Municipality Council adopted its development vision, mission and core values as follows:

❖ Vision

“The following vision was developed by the new council in the current period: “To become an economically viable municipality by 2030”

❖ Mission

UMzimkhulu Municipality will develop institutional capacity by using all available resources at its disposal to deliver quality and sustainable services through public participation.

❖ Core Values

The core values of the municipality are Commitment, Accountability and Professionalism (**CAP**).

Figure 1: Core Values





❖ **Highlights on the Municipality's strategic goals/issues**

- To develop systems to facilitate co-operative governance and inter-governmental relations especially with the district, other spheres of government and service providers to maximize the development impact within UMzimkhulu municipality;
- To build capacity and skills of the community, councillors and staff of UMzimkhulu Municipality to deepen democratic participation in decision making and all development processes and to facilitate horizontal and vertical communication with all stakeholders;
- To reduce the backlog in services such as waste removal and physical infrastructure such as roads as well as social infrastructure such as clinics, sports and recreation facilities, libraries and arts and culture;
- To manage municipal financial resources in a way that will ensure financial viability and sustainability, and the alignment of the budget with the needs and priorities of the stakeholders;
- To mainstream and integrate issues of poverty, unemployment, environment and HIV/AIDS within the main development agenda of the municipality and to address them holistically;
- To develop an organisational architecture, business processes and policies, which will enable the municipality to fulfil its constitutional and legislative mandates and achieve its vision and mission;
- To facilitate growth and development of the local economy in a way that generates opportunities for sustainable job creation, poverty reduction and improves BBBEE;
- To address issues of youth, women, disable and vulnerable sectors of society on integrated bases;
- To ensure that the number of households eligible for free basic services is increased;
- To manage and promote informed integrated planning, development, housing and local economic development that accelerates service delivery and ensures sustainable communities.



1.4. Overview of UMzimkhulu Municipality

❖ Spatial Location within KZN

Umzimkhulu, meaning “a great place and a happy home for all”, is a local municipality in KwaZulu Natal. It is one of the family of five (5) local municipalities (i.e. Ubhulebezwe, Ingwe, KwaSani and Kokstad) of the Sisonke District Municipal. The district is neighboring Ugu District in the east, Msunduzi in the north, Lesotho in the east and Eastern Cape in the south.

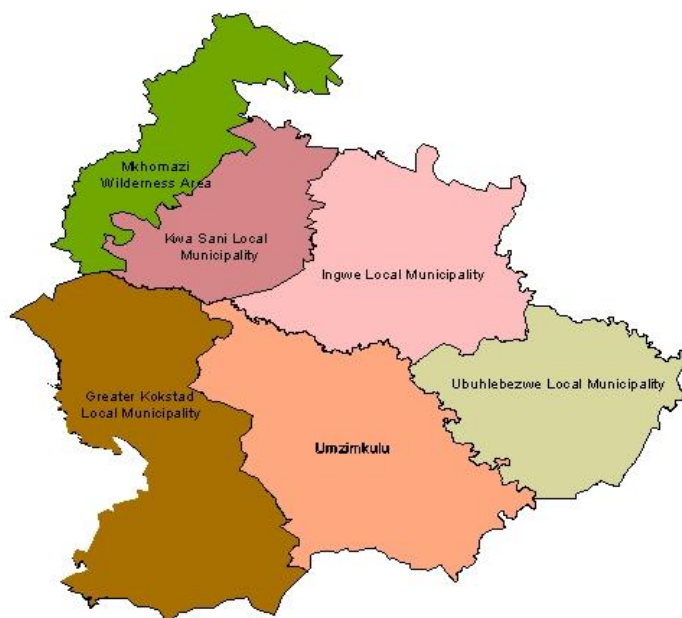
Figure 3: Municipal Wards and Tribal Authority Boundaries





Umzimkhulu Local Municipality is one of the five Local Municipalities which constitute the Sisonke District Municipality and account for 33 percent of the District's population. The Municipality consists of 20 wards which covers a total area of 2436 square kilometres. In comparison to the other Municipalities within the District family, Umzimkhulu is the second largest.

Figure 4: Overview of UMzimkhulu Municipality



The predominantly rural municipal area is characterised by dispersed rural settlements with minimum economic activity in the hinterland, except for trading stores and subsistence agriculture. The majority of Umzimkhulu's population is women. Hence, there is a need to implement youth development programmes and, for the most part, target women in stimulating nodal economic growth. IsiXhosa is the predominant language in the Umzimkhulu area with isiZulu and isiBhaca being spoken in certain segments of the Umzimkhulu Municipal area.

High rainfall, good climate and rich soil gives the area a high propensity for agricultural development. Farming operations are at a subsistence level, with the potential for commercial development. Forestry is the main income generator in Umzimkhulu. However, most of these forests are privately owned with Singisi Forests being the biggest stakeholder.

The development of tourism around current initiatives, including birding, rail and cycle tourism, should focus on the tourism product offerings including accommodation, catering and recreational activities.



❖ Demographic Profile

UMzimkhulu is the most populated of the Harry Gwala municipalities, accounting for 39% of the district's population. The population of UMzimkhulu is about 180 302 people.

There are 82.9 males in every 100 females, which translate to 45.3% male and 54.7% female. People at the ages of 15 - 64 years are the most dominant (53.7%) followed by the <15 years age groups at 40.8% in the municipal area. Approximately 46.6% of the population is unemployed out of which about 56.8% are youth. 6.4% of the population has not gone to school. Approximately 2.1% has higher education and 15.2% has matric. Primary education enrollment for the 6-13 years is standing at an impressive 93.9%. The total number of deaths in uMzimkhulu increased from 4,129 to 4,900 between 2007 and 2011 out of which 19.2% and 19.5% were crude death respectively. The leading cause of death in uMzimkhulu is HIV /AIDS.

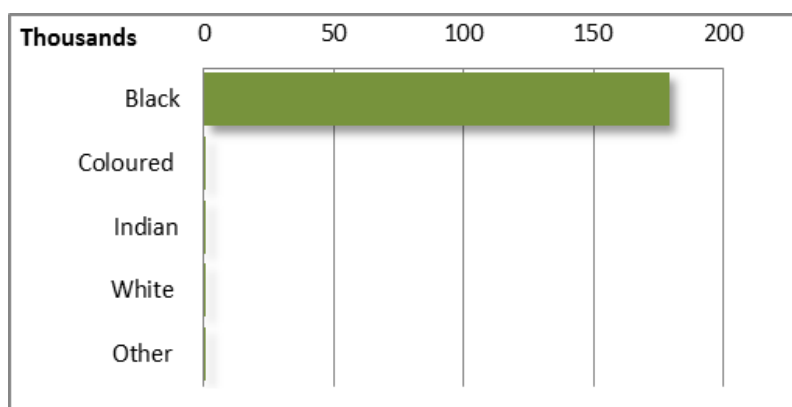
Population Statistics:

Black people predominantly occupy UMzimkhulu Municipal area. Approximately 99.3% (179,103) of the population in uMzimkhulu is Black, 621 Coloured, 223 Indians, 183 White and 172 other (i.e. Africans from other African Countries, Pakistanis, Bangladeshis, Chinese, etc.).

Figure 5: Population

POPULATION	
	180300
POPULATION GROUP	
Black	179103
Colored	621
Indian	223
White	183
Other	172

Source: StatSA Census 2011



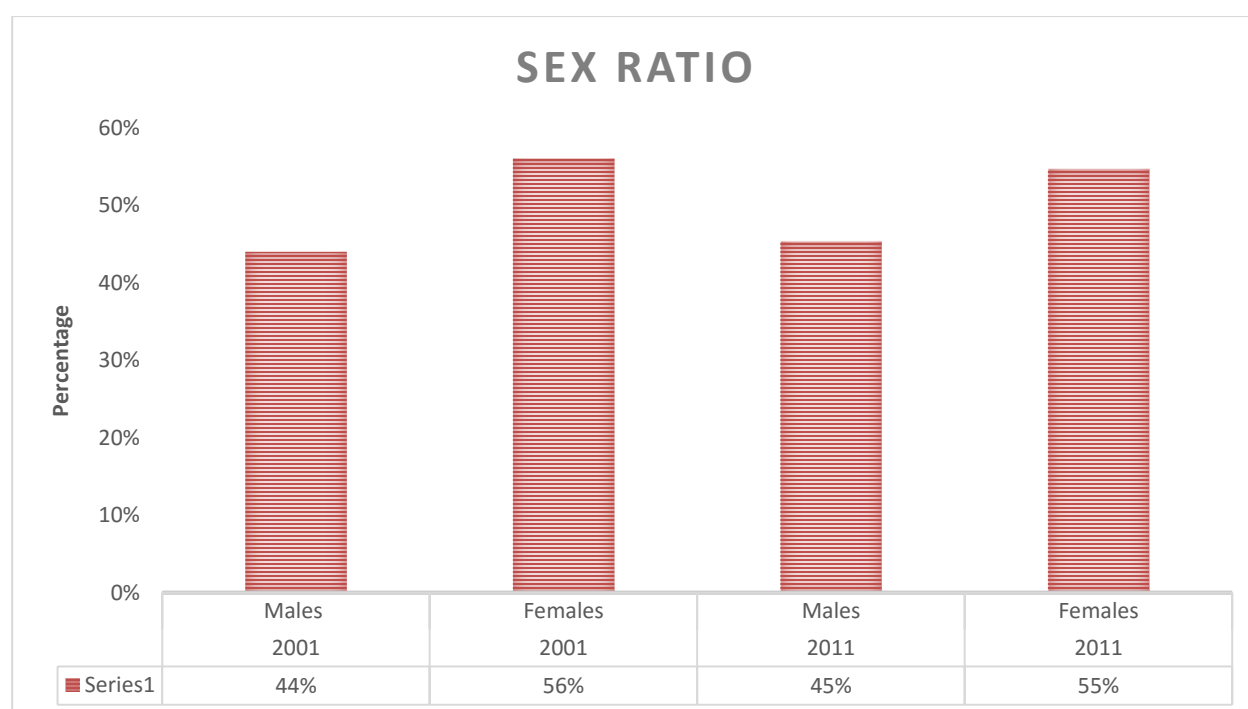


Gender / Sex Ratio

The ratio of male to female in UMzikhulu has somewhat declined. In 2001, there were 78.5 males in every 100 female, which meant that 44% of the UMzikhulu population was male and 56% was female. In 2011, there were 82.9 males in every 100 females, which translate to 45.3% male and 54.7% female.

This can be illustrated in the figure following:

Figure 6: Sex Ratio



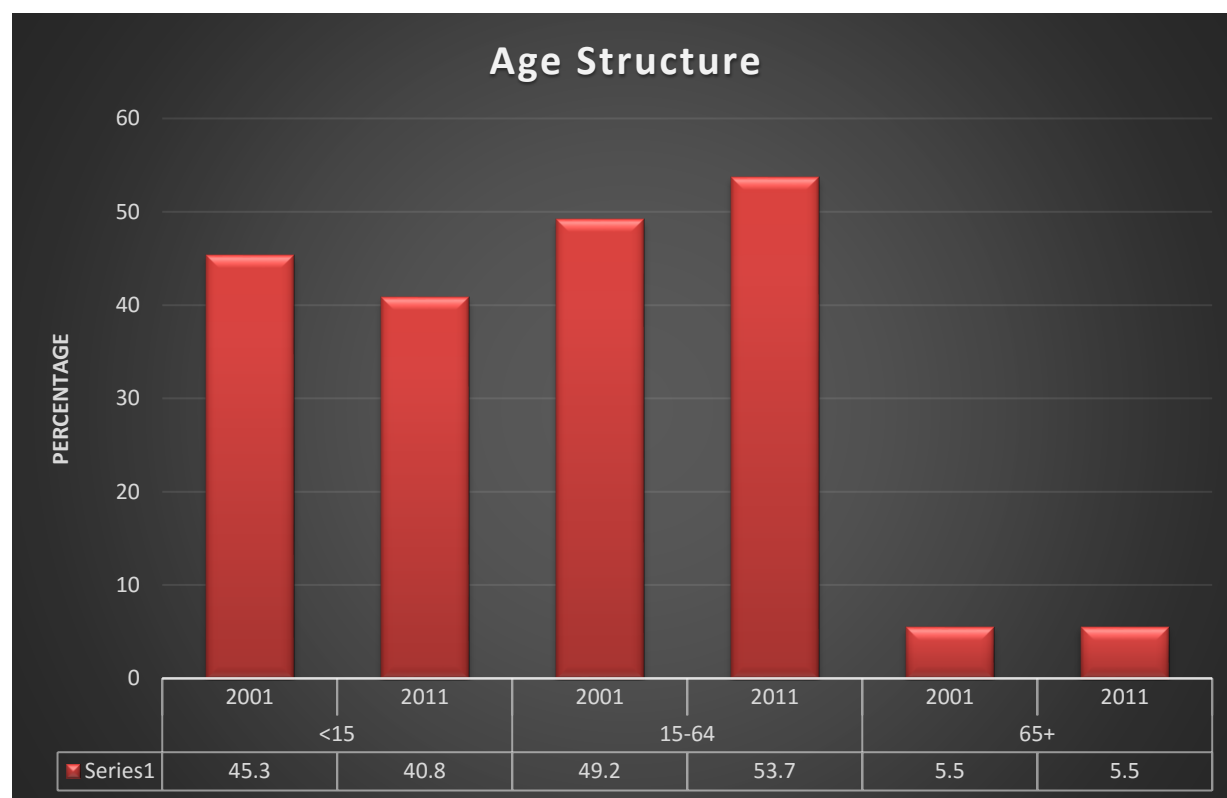
Source: Statistics SA Census 2011



Age Distribution:

Figure 7 below shows the age distribution within the UMzikhulu Municipal area where the ages of 15 - 64 are the most dominant (53.7%) followed by the <15 years age groups at 40.8%. The latter group forms part of the active labor group. The huge numbers of this age group call for a need for creation of employment opportunities and provision of educational facilities to cater for their needs.

Figure 7: Age Structure



Source: Statistics SA Census 2011



CHAPTER 2: GOVERNANCE

The purpose of this chapter is to demonstrate the municipality's accountability to communities for decisions taken by the Council including matters relating to administrative structures throughout the year.

Component A: Governance Structures

2.1 Political Governance

UMzimkhulu local municipality leadership is under the stewardship of Councillor Mphuthumi Mpabanga as the Honourable Mayor, Councillor Sindisiwe Nkala is the Honourable Deputy Mayor. The Speaker of the Council is Cllr Khayaletu Edgar Thobela and the Chief Whip of Council is Cllr Xolani Tshazi.

Council has 40 seats of which 20 are Ward councillors and the other 20 are PR Councillors. There are 8 EXCO Members in total.

The representation of females is 55 percent. The following table demonstrates the dynamics and diversity of the Council.

Figure 8: Political Governance

Full Name	Gender Distribution		Ward	Portfolio Represented
	Male	Female		
Mphuthumi Mpabanga - Honorable Mayor	Male			Budget and Treasury
Sindisiwe Nkala - Deputy Mayor		Female	Ward 4	Corporate Services
Cllr Kayaletu Tobela - Speaker	Male			RRTF
Cllr Xolani Tshazi – Chief whip	Male		Ward 15	Community & Social Services
Cllr Victor Ndlela	Male		Ward 1	Infrastructure Development
Cllr Primrose Kleinbooi		Female	Ward 2	Community & Social Services
Cllr Nomonde Kolobeni		Female	Ward 3	Planning and Housing
Cllr Ntobeko Ngcemu	Male		Ward 5	Local Economic Development
Cllr Bongiwe Sibeni		Female	Ward 6	Corporate Services
Cllr Stanford Sosibo	Male		Ward 7	Local Economic Development
Cllr Sibonisiwe Mgilane		Female	Ward 8	Governance
Cllr Petronella Madziba		Female	Ward 9	Governance
Cllr Boniswa Cira – EXCO Member		Female	Ward 10	Community & Social Services
Cllr Mphakathi	Male		Ward 11	Community & Social Services
Cllr Mzolisi Ndobe	Male		Ward 12	Budget and Treasury Budget
Cllr Anatoria Sondzaba		Female	Ward 13	Planning and Housing



Full Name	Gender Distribution		Ward	Portfolio Represented
	Male	Female		
CLlr Mduduzi Tshibase	Male		Ward 14	Corporate Services
CLlr Jabulie Msiya		Female	Ward 16	Local Economic Development
CLlr Vuyiswa Mhatu		Female	Ward 17	Corporate Services
CLlr Zibuse Mthobeni	Male		Ward 18	Infrastructure Development
CLlr Petros Khambula	Male		Ward 19	Planning and Housing
CLlr Mziwoxolo Msiya	Male		Ward 20	Budget and Treasury Budget
CLlr Mfundo Dzanibe – EXCO Member	Male			Planning and Housing
CLlr Florence Nene – EXCO Member		Female	Ward	Planning and Housing
CLlr Mandisa Swaartbboi – EXCO Member		Female	Ward	Local Economic Development
CLlr Steven Ngcongco –EXCO Member	Male		Ward	Infrastructure Development
CLlr Bhekamahlongwa Lukakayi – EXCO Member	Male		Ward	(Portfolio Head)Governance
CLlr Anatoria Radebe – PR Councilor		Female	Ward	Corporate Services
CLlr Khayaletu Mgcwaba - PR Councilor	Male		Ward	Special Programmes Unit
CLlr N Mlonyana - PR Councilor		Female	Ward	Local Economic Development
CLlr Portia Jilajila – PR Councilor		Female	Ward	Infrastructure Development
CLlr Getrude Peter – PR Councilor		Female	Ward	Community & Social Services
CLlr Nonzwakazi Sikhosana – PR Councilor		Female	Ward	Budget & Treasury
CLlr Nompumelelo Damoyi- PR Councilor		Female	Ward	Planning & Housing
CLlr Sylvia Lefose – PR Councilor		Female	Ward	Community & Social Services
CLlr Xolani Base – PR Councilor	Male		Ward	Infrastructure Development
CLlr Bongani Kwesa – PR Councilor	Male		Ward	Local Economic Development
CLlr Buyisiwe Majola – PR Councilor		Female	Ward	Budget & Treasury
CLlr Nomasomi Langa – PR Councilor		Female	Ward	Budget & Treasury
CLlr Nobantu Buwana – PR Councilor		Female		Infrastructure Development
40	18	22		



uMzimkhulu Traditional Leaders		
Nkosi L. Fodo	Male	
Nkosi V. Jozana	Male	
Nkosi LT Baleni	Male	
Nkosi D W Ntlabathi	Male	
Nkosi MS Manci	Male	
Nkosi N W Msingaphantsi	Male	
Nkosi V. V Zimema	Male	

2.2 Administrative Governance

The administrative governance was led by the Accounting Officer, is supported by 5 Section 56 Managers that are heads of departments. The following table demonstrates the dynamics of the management and the responsibilities of each department towards achieving the strategic goals of the municipality.

Figure 9: Administrative Governance

Responsibility	Position Held	Department	Overall function of the department
Mr ZS Sikhosana	Municipal Manager	Office of the Municipal Manager	<ul style="list-style-type: none"> ✓ Provide leadership to the municipality & support council in fulfilling its mandate. ✓ Internal audit & Risk management. ✓ Inter- governmental relations. ✓ Organizational performance. ✓



Responsibility	Position Held	Department	Overall function of the department
Ms NN Nduku	Head of Department	Corporate Services	<ul style="list-style-type: none"> ✓ Provide HR management & HRD services. ✓ Ensure employee wellness. ✓ Provide Auxiliary & IT services. ✓ Provide Council support services. ✓ Provide support & capacity to line functions on HR functions. ✓ Communications Legal Advisory Services.
Mrs T Ngcemu	Head of Department	Budget & Treasury	<ul style="list-style-type: none"> ✓ Coordination of budget. ✓ Expenditure, financial control & reporting ✓ Credit management & revenue collection ✓ Provide Supply chain management services ✓ Provide support & capacity to line functions on budgeting & treasury
Ms KN Dweba	Head of Department	Infrastructure and Engineering	<ul style="list-style-type: none"> ✓ To provide capital & maintain existing infrastructure ✓ Municipal Infrastructure maintenance ✓ Storm water & sanitation management ✓ Coordinate electricity ✓ Facilitate community involvement Refuse removal, dumps & solid waste



Responsibility	Position Held	Department	Overall function of the department
Ms Kholeka Mbalo	Head of Department	Community & Social Services	<ul style="list-style-type: none"> ✓ To provide social & citizen services ✓ Municipal Health Services ✓ Traffic & other By- Laws regulation & enforcement ✓ Undertake special programs services ✓ Coordinate disaster & Fire fighting services ✓ Sports, Recreation, Arts & Culture ✓ Public Participation ✓ Enforcement of municipal By-Laws
Mrs N Gaxela	Head of Department	Planning and Housing	<ul style="list-style-type: none"> ✓ Coordinate development of IDP & By-laws ✓ Conduct town & spatial development planning ✓ Coordinate municipal ✓ Local economic development ✓ Coordinate housing ✓ development Building regulations & enforcement

Component B: Intergovernmental Relations

The various entities that exist in UMzikhulu include;



2.3 Intergovernmental Relations

2.3.1. Harry Gwala District Municipality

Harry Gwala District Municipality is based in IXOPO, and offers all district services to the municipality including bulk water and sanitation, electricity etc.

2.3.2. Department of Agriculture

The department is based in the CBD. This department renders the following services to the UMzimkhulu area:

- Technical advice for agricultural services;
- Technical advice on environmental management;
- Veterinary services; and
- Agricultural extension services (social facilitation, project management etc.).

2.3.3. Department of Health

The department is based at the former Umzimkhulu College of Education building. These offices are mainly focused on managing the clinics in the municipality. The services that are rendered by the department include the following:

- Chronic services and mental health;
- Rehabilitation service and Environmental Health Service;
- Adolescent services (youth friendly clinics);
- TB control; and
- HIV/Aids management and ART is available in 5 clinics.

2.3.4. Department of Social Development

The department is also based at the former Umzimkhulu College of education building. This department is mainly focused on Community developments which include the following aspects:



- Youth development: skills development and knowledge for the youth to improve employment opportunities. This is achieved through internships and other community development programmes;
- Sustainable livelihood: this includes poverty alleviation programmes. The department provides an integrated programme that responds to poverty;
- Institutional capacity and support: this includes assisting in registering community projects as Non Profit Organizations (NPO). The department also assists in the improving of governance and management of NPO's so they can be self-sustainable;
- Research and demography: this is the research in population development trends;
- Population capacity development: this is the training of youth and women on HIV issues;
- HIV/AIDS: this programme includes establishment of community based centres, provision of support to victims and launching a prevention programme;
- Child care and protection services: this includes child placements, foster care grant and child abuse cases;
- Social crime prevention: This is a probation service for children in conflict with the law. It seeks to rehabilitate children and divert their cases from the mainstream;
- Substance abuse: This is rehabilitation and counselling to substance abusers;
- Care for the aged: This includes referrals to residential care and providing support to the NPO's;
- Care for people with disabilities: This is launching income generating projects for the aged and assistance in accessing social grants;
- Victim empowerment programme: these are support centres for abused women and children where counselling is provided to victims of violent crimes. Referrals for domestic restraining orders are also issued.

2.3.5. Department of Home Affairs

These offices are based at Umzimkhulu Mall building.



This department offers the following services;

- Birth Certificate;
- Death Certificate;
- Identity documents;
- Marriages; and
- Passports.

2.3.6. Department of Education

There are circuit offices in UMzimkhulu that are under the Kokstad region based. The role of this office includes:

- Servicing of the 178 schools in UMzimkhulu through ward managers;
- Submission and distribution of learning material;
- Providing schools with subject advisors; and
- Co-ordination of district and provincial activities.

Mud structures make up approximately 120 of the schools in the area. This poses a problem because of the deteriorating conditions of these structures. There is still a shortage of classes and desks for the learners.

2.3.7. SASSA

SASSA is an agency that is responsible for the registration of social grants. This agency registers the following types of grants;

- Old age grant;
- Disability grant;
- Care dependency grant;
- Foster care grant and
- Grant in aid.

The agency is also responsible for social relief which includes the distribution of food parcels that are distributed to households every 3 months.



2.3.8. Department of Transport

The department has offices in the CBD; however the role of these offices is the implementation of projects from the offices in Pietermaritzburg. There are no set functions that are performed by the offices in UMzimkhulu.

2.3.9. Singisi Forests

Singisi Forest is the biggest stakeholder of forestry in UMzimkhulu. According to information obtained through interviews the forests cover 60 000 hectares. Singisi Forests is looking at expanding to twice the current capacity. Currently they have three (3) sawmills and a mushroom plant. The mushroom plant deals with packaging and exportation of mushrooms that are found in all the pine forests.

These forests currently have pine, gumtree and wattle as the planted species. The pine is used for making furniture, building material, chemicals and cosmetics (pine gel). The gumtree and wattle don't create jobs in the area as they are mostly used for paper manufacturing and UMzimkhulu doesn't have the plants to manufacture paper so it is sent to manufacturers in Richards Bay as a raw product.



Component C: Public Accountability and Participation

2.4 Public Meetings

During 2015&2016 IDP review, the municipality consulted an array of stakeholders to collect their inputs as highlighted in the following table:

Figure 10: Public Meetings

Nature of Meeting	Responsibility	Number of Meetings Held	Status
IDP Izimbizo	IDP Manager/Public Participation/ Communications Unit	20	Completed
2015&2016 IDP Steering Committee		02	Completed
2015&2016 IDP Rep Forum		01	Completed
IDP Alignment meeting with sector departments		01	Completed
UMzinkhulu stakeholders meeting		04	Quarterly
Public Education	Communications Unit/ Public Participation Unit/ Special Programmes Unit	62	Ongoing
Media briefing sessions	Communications Unit	04	Ongoing
Collection of media articles with municipality's issues		23	Ongoing
Budget and IDP izimbizo	Public Participation Unit, Communications Unit, Councillors, Finance Department.	20	Completed
Development of municipality's news letter	Communications Unit, GCIS(Sisonke District Municipality)	04	Quarterly



2.5 IDP Participation and Alignment

The development and alignment of the IDP are elaborated in the following table:

Figure 11: IDP Alignment

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIS as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes



Component D: Corporate Governance

2.6 Risk management

Risk Management Policy and strategy were reviewed and adopted by the council. Risks assessment was conducted for the preparation of 2015/2016 financial year.

The other initiatives conducted include:

- Strategic, Operational, ICT as well as Fraud Risk Assessment workshops we conducted for the under review year;
- The management have effectively implemented mitigation measures/action plans to ensure that all identified risk for 2015/2016 financial year are effectively mitigated/managed;
- Four Quarterly reports were tabled to Audit and Risk Committee regarding implementation of risk management strategy;
- The KZN Provincial Treasury has supported the municipality with a Risk Management Software (CURA) at no cost, the software has assisted the municipality with the management, monitoring and reporting of risks.

2.7 Anti-corruption and fraud

The municipality adopted the fraud prevention policy and strategy which both states that, the municipality is committed in protecting public funds against fraudulent and corrupt activities.

The Municipality is also using suggestion boxes for purposes of whistle blowing against fraud and corruption while is in the process of acquiring Whistle blowing hotline.

❖ Fraud Risk Assessment and Awareness Workshop

The Municipality in conjunction with KZN Provincial Treasury conducted a Fraud Risk Assessment and Awareness workshop for EXCO, Senior Managers, Bid committees, Budget and Treasury, Human Resource and Payroll, ICT and Infrastructure and Engineering.



2.8 Supply Chain management

During 2015/2016 year, the Supply Chain Management Unit was fully functional with all the posts filled and the capacity was also elevated through the finance interns that were deployed in the Unit.

All SCM Policies were also reviewed and adopted by Council. The implementation and monitoring of these policies was under the supervision of the Supply Chain Manager.

As part of the policy, the Municipal Manager is required to review the implementation of this policy and propose any necessary amendments to the Council.

2.9 By-laws

All Development and Planning policies, by-laws and strategies were all reviewed for 2015/2016 implementation.

2.10 Websites

Figure 12: Websites

Municipal Website: Content and Currency of Material		
Documents Published on the Municipality's Website	Yes/No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	June 2014 March 2015
All current budget-related policies	Yes	April 2015
The previous annual report (2014/2015)	Yes	March 2015
This annual report (2014/2015) to be published	Yes	December 2015
All current performance agreements and resulting scorecards for 2015/2016	Yes	July 2014
All service delivery agreements for 2015/2016	Yes	Quarterly
All long-term borrowing contracts for 2015/2016	N/A	N/A
All Supply Chain Management contracts above R200 000 for 2015/2016	Yes	14 days after the appeal period
An information statement containing a list of assets that have been disposed during 2014/2015	N/A	N/A



Municipal Website: Content and Currency of Material		
Documents Published on the Municipality's Website	Yes/No	Publishing Date
Contracts agreed in 2015/2016 to which subsection (1) of section 33 of the MFMA		
Public-private partnership agreements in terms of section 120 made in 2015/2016	N/A	N/A
All quarterly reports tabled in the council in terms of section 52(d) during 2015/2016	Yes	Quarterly

2.11 Public satisfaction on Municipal Services

The Customer Care department conducted the following survey during the reporting year.

Figure 13: Public Satisfaction

Satisfaction Surveys Undertaken During 2014/2015 And 2015/2016				
Subject Matter of Survey	Survey Method	Survey Date	No. of People Included in Survey	Survey Results Indicating Satisfaction or better (%)*
Overall Satisfaction with:				
a) Municipality				
b) Municipal Service Delivery	Questionnaire/Complaints register	ongoing	350	80%
c) Mayor				
Satisfaction with:				
a) Refuse Collection	Questionnaire/Complaints register	ongoing	350	75%
b) Road Maintenance	Questionnaire/Complaints register	ongoing	300	70%
c) Electricity Supply	n/a	n/a	n/a	
d) Water Supply	n/a	n/a	n/a	



e) Information supplied by municipality on municipal affairs	Questionnaire/Complaints register	ongoing	150	95%
f) Opportunities for consultation on municipal affairs	Questionnaire/Complaints register	ongoing	200	80%
*Percentage indicates the proportion of those surveyed				

2.12 All oversight Committees

❖ Functionality of Ward Committees

All Ward Committees in all 20 wards were functional and active in all development issues affecting their wards and the municipal area at large. These structures are in continuous contact with the community at the ward levels and all issues raised in the meetings are conveyed to the council for consideration.

❖ Municipal Structures

Umzimkhulu Municipality is participating in the following structures that are established and very functional at a district level. All The Heads of Departments on these forums actively participate in these structures and decisions made in these structures are implemented by the appropriate municipal departments:

- ✓ Mayors Forum;
- ✓ Municipal Managers' Forum;
- ✓ LED and Tourism Forum;
- ✓ Planners Forum;
- ✓ CFOs Forum;
- ✓ Infrastructure Development Forum;
- ✓ Corporate Services Forum.



In addition to these District structures the municipality has also established or participated in the following:

- ✓ **Women's Council:** This structure looks at the interest of women within the municipality to ensure that women needs are put into consideration in any municipal development.
- ✓ **Council for People Living with Disabilities:** This structure looks at the interest of people living with disability in the municipality to ensure that their needs are put into consideration in any municipal development.
- ✓ **Youth Council:** This structure looks at the interest of youth within the municipality to ensure that their needs are put into consideration in any municipal development.
- ✓ **Local HIV/AIDS Council:** This structure looks at the interest of people living with HIV/AIDS within the municipality to ensure that their needs are put into consideration in any municipal development.
- ✓ **Ward Based HIV/AIDS Committees:** This structure looks at the interest of people living with HIV/AIDS at the ward level to ensure that their needs are put into consideration in any municipal development.
- ✓ **Ward Based Sports Committees:** This structure looks at the interest of the youth within the municipality to ensure that sports facilities are considered in any municipal development.
- ✓ **Traditional Leader:** These structures participate in the district house of traditional leaders and locally they participate through the stakeholders' forum.
- ✓ **Ward Committee:** These committees are established, functional and training has been offered.
- ✓ **Shared Services:** The municipality is participating in this program and it has benefitted the municipality greatly as services of GIS and planning has been realized.

❖ Audit Committee and Municipal Public Account Committee (MPAC)

The municipality has a functional Audit Committee and Municipal Public Accounts Committee, the schedule of meetings for these committees during 2015/2016 were as follows:



Figure 14: Committee Meetings

Name of the Committee	No. of Meetings	Dates of the Meetings	Committee Members
1. Audit Committee	05	13 July 2015, 27 Aug 2015, 11 Nov 2015, 11 Mar 2016, 28 June 2016.	Mr..D Mncwabe (Chairperson) Mr V. Mtshali Ms N..Gxumisa
2. Municipal Public Accounts Committee	04	18 Aug 2015, 20 Oct 2015, 18 Feb 2016, 24 May 2016.	Cllr. M. Msiya (Chairperson) Cllr. S.S. Sosibo Cllr. Z Jilajila Cllr. X Base Cllr. Z Radebe Cllr. N Langa

Audit Committee report:

PLEASE REFER TO THE ATTACHED AUDIT AND PERFORMANCE COMMITTEE REPORT.



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Component A: Basic Services

3.1 Water and Sanitation

Water and Sanitation is a function of the district municipality. However, engagements with the District municipality are done through the IDF meetings which are held between the District and other Local Municipalities, where all challenges and progress on projects are discussed.

3.2 Electricity

UMzimkhulu has developed an Electricity Sector Plan that addresses the objective set out in the IDP to form linkages with Eskom in implementing plan. This plan serves as a means to communicate the priorities of the municipality and its people to Eskom. During the beginning of this financial year, the municipality was sitting at 64% electrified houses. Due to the urgency to provide electricity to our people, Council resolved to enter into partnership with the Development Bank of Southern Africa (DBSA) as part of accelerating backlog reduction.

Figure 15: uMzimkhulu Electrification Plan

No.	Project Name	Substation	Ward	Connections	Year	Status
1.	Chamto	Umzali	15	150	2013/14	Completed
2.	Mnqumeni	Umzali	15	140	2013/14	Completed
3.	Nsiken phase 1 (Deda, Matshitshi, Malenge and Esikhewini) and phase2 Nsiken	Corinth	3	1300	2013/14/15	Completed
4.	Mangeni	Corinth	1	954	2016/17	Planning
5.	Nsiken phase 3 (Bomvini and Nongingqa)	Corinth	3&4	1300	2014/15	95% under construction



No.	Project Name	Substation	Ward	Connections	Year	Status
6.	Vuka	Corinth	4 & 6	445	2016/17	Eskom – Pre-Eng.
7.	St Paul	Corinth	6	330	2016/17	Planning
8.	Makholweni	Corinth	6	400	2016/17	Planning
9.	Dumanomhuhu	Corinth	6	300	2016/17	Planning
10.	Cacathu	Corinth	6	325	2016/17	Planning
11.	Laleni	Corinth	6	220	2016/1	Planning
12.	Siphangeni	Corinth	6	255	2016/17	Planning
13.	Nzombane	Corinth	3 & 18	378	2016/17	Planning
14.	Mawushe	Corinth	6 & 9	420	2016/17	Planning
15.	Driefontein	Corinth	8	400	2015/16	Planning
16.	Ncambele	Corinth	8	294	2017/18	Planning
17.	Rocky mount	Corinth	10	136	2015/16	Completed
18.	Ndawane	Corinth	1	650	2017/18	Planning
19.	Gaybrook	Ingeli	10	389	2015/16	95%
	Sikhulu	Corinth	18	612	2015/16	Completed
	Mpindweni					

3.3 Waste Management / Refuse Collections and Waste Disposal

Implementation of Integrated Waste Management Plan

The development of Integrated Waste Management Plan (IWMP) is a requirement for all Government spheres responsible for waste management in terms of the National Environmental Management: Waste Act, No. 59 of 2008 for government to properly plan and manage waste. The Waste Management Officer has developed an Integrated Waste Management Plan for the municipality as the requirement of Section 12 of NEMWA and the plan will be integrated to IDP.



The purpose of the Waste Management Plan is to provide a framework for equitable, affordable and sustainable service delivery to citizens of Umzimkhulu. Another objective of waste management plan is to reduce the generation of waste and environmental impact of all forms of waste and thereby ensure that the socio-economic development of the whole country, the health of the people and the quality of environmental resources are no longer adversely affected by uncontrolled and uncoordinated waste management. The formulation of an Integrated Waste Management Plan will enable the local municipality to effectively and efficiently manage and control waste in its area. The proper management of waste will result in the protection of human life and the environment.

The following are the IWMP goals (Immediate term) that are implemented this financial year 2015/2016.

Goal 1: Ensure the effective and efficient delivery of waste services

- Replace and Maintain collection fleet for service delivery
- Review collection schedule
- Standardise Collection and Optimise Collection route

Goal 2: Improve, develop and maintain infrastructure to ensure safe and proper disposal of waste and to comply with legislative requirements and municipal needs

- Continue to operate Mankofu disposal site in accordance with minimum requirements and Norms and standards
- Apply for a waste Licence in order to have an approved waste disposal facility

Goal 3: Decrease waste deposited on landfill

- Encourage Recycling Activities and waste minimisation through awareness campaigns

GOAL 4: MINIMISE/PREVENT ILLEGAL DUMPING

- Removal of illegal dump site

Goal 5: Education and awareness

- Develop a schools competition program to encourage schools involvement on waste management issues
- Encourage residents to report waste transgression. Respond to reported waste transgression



Goal 6: Ensure that legislative tools are developed and implemented to deliver on NEM: WA and other legislations

- Implementation and Enforcement of By-laws

Goal 7: Sound budgeting and financing of waste management services

- Implement tariffs for waste collection and disposal
- Allocate budget for waste Services from equitable share funding

Goal 8: Provide efficient human resources

- Motivate for extension of humans resources, when necessary
- Capacitate staff

WASTE COLLECTION

The municipality is continuing to render waste collection services to 8699 households within the jurisdiction of Umzimkhulu local municipality, this includes Government and Private institutions, Business premises, Formal and informal settlements and Nodal and rural areas and the CBD.

WASTE DISPOSAL

The studies for the development of a new landfill site has been done and the municipality has acquired Waste Management Licence for the new Landfill site that will be developed at Clydesdale.

AWARENESS CAMPAIGNS

Awareness and Clean-up campaigns has been conducted to the communities and schools to create awareness on environmental issues and to promote cleanliness in the communities

JOB CREATION UNDER EPWP

The following EPWP programs has been implemented in this financial. The Program is funded internally by the municipality and partially funded by Public works (Incentive grant). Both Programs are dealing with waste Management.



1. Food for waste Program

- Food for Waste in the CBD with 100 beneficiaries.
- Food for waste in Nodal areas with 100 beneficiaries.

2. Youth Jobs in waste Program

The program is implemented at Umzimkhulu and fully funded by the Department of Environmental affairs. There are 17 participants in the program; the program is assisting in Environmental awareness campaigns, monitor cleanliness in the CBD and other waste Management issues.

GREENING PROGRAM

The Municipality has developed an Annual greening plan. The plan has been implemented in this financial year. It deals with the maintenance of Park, Gardens and Verges, cleaning and greening of Municipal premises and Facilities such as Halls and sports field. To promote greening the municipality has donated trees in schools and planted trees and flowers in some areas in the CBD.

❖ **Successes achieved**

- ✓ Waste Management Licence for the Landfill site.
- ✓ Implementation of Integrated Waste Management Plan.
- ✓ Integration of IWMP to the IDP
- ✓ Participation in the Greenest Municipality competition and won a second place in Waste Management in the Harry Gwala District municipality.

❖ **Challenges**

- ✓ Insufficient resources to cover at least 75% household as per the target set on National waste management strategy.
- ✓ Non-cooperation and Non-compliance of community members with Waste Management Municipal by-laws, even after awareness campaigns on waste management were conducted (they continue to create illegal dump-site).



Figure 16: Waste Management

Financial Performance 2015/2016: Waste Management				
Details	2014/2015	2015/2016		
	Actual	Original Budget	Adjustment Budget	Actual
Total Operational Revenue	R 1 594 494	R1 624 753	R1 678 395	R1 553 956
Expenditure:				
Employees	R 3 565 032	R7 028 878	R5 801 273	R4 667 831
Repairs and Maintenance	R 994 533	R 030 000	R2 763 000	R2076473
Other	0			
Total Operating Expenditure	R4 559 565	R10 108 878	R8 564 273	R6 744 304
Net Operational Expenditure	-R 2 965 071	-R8 484 125	-R6 885 878	-R5 190 348

3.4 Housing

Figure 17: Access to Basic Housing

Percentage of Households with Access to Basic Housing			
Year end	Total Households (Formal and Informal Settlements)	Households in formal settlements	Percentage of HHS in formal settlements
2013/2014	42 909	2 640	6.%
2014/2015	42 909	2 640	6.%
2015/2016	42 909	2 640	6.%



3.5 Free Basic Services and Indigent Support

❖ Steps towards the Implementation of the Strategy:

The municipality adopted a 5year electrification strategic plan which was agreed upon by all stakeholders i.e. the municipality and Eskom and DOE. This involved scoping of all the listed projects with estimated budgets and all this is included in the IDP. Applications for funding are then forwarded to DOE to implement the project.

Figure 18: Free Basic Services

Free Basic Services To Low Income Households				
	Free Basic Electricity		Free Basic Refuse	
Year end	Access	%	Access	%
2013/2014	2000	100%	4355	100%
2014/2015	1579	100%	4355	100%
2015/2016	1456	100%	4355	100%



Component B: Roads and Transport

3.6 Gravel Roads Infrastructure

The municipality has developed an infrastructure sector plan, which shows backlogs for all infrastructure requirements as well as the roads backlogs. Based on the Roads Act, the roads are classified in terms of Provincial roads, District roads, as well as Local distributor roads. The local municipality concentrates on provision and construction of local distributor roads to ensure access to villages as part of improving socio-economic development. Communication to the communities is through various structures and Committees such Rural Road Transport Forum, Council meetings, Operation Sukuma sakhe etc. through these structures high priority areas are identified and prioritised. Since the municipality has resolved to procure their own machinery, the road maintenance process has improved substantially

NEW ROADS

As shown in figure 19 below, 20.1km of new gravel roads was achieved in the construction of Hambanathi ward 13, Gudlintaba ward 06, Cebe Ward 09 and KwaFile Access Roads in wards 10. The following gravel roads projects are in progress: Gwijendlini Access Road in ward 05 and Marhwaqa to Sayimane Access Road in ward 19. Both projects are scheduled to be completed during quarter 1 of the 2016/2017 financial year and are both funded through the Municipal Infrastructure Grant programme.

Figure 19: Gravel Roads Infrastructure

Gravel Roads Infrastructure Kilometres				
Financial Year	Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar	Gravel Roads Maintained/Graded
2013/2014	117.6km	20.9.km	10km	86.7km
2014/2015	31.1km	7.6km	1.5km	22km
2015/2016	214.8km	20.1 km	0	194.7km



3.7 Tarred Roads infrastructure

This financial year the municipality had focused on maintaining existing road infrastructure by attending to damages to its tarred roads as part of back to basic program. The strategy was to appoint an experienced service provider having access and possession of required material and resources to address these issues and bring back original state of tarred roads considering the implementation of EPWP processes as well. The contractor was contracted for a period of one year to attend to pothole repairs; storm water drainage; resurfacing of existing damaged roads etc.

Challenges:

The most challenge experienced was that the allocated budget could not address all these issues as a result of major damages encountered in the roads.

During these maintenance activities some of existing services got damaged resulting staggered provision to the community.

Success Stories:

Even though the community was being inconvenienced by these services damages, they were so patient and showed enthusiastic trust to the Municipality for repairs and completion of project.

More employment opportunities were created more than planned. The projects were of high standard design.

Figure 1: Tarred Roads Infrastructure

Tarred Roads Infrastructure Kilometres				
Financial Year	Total Tarred Roads	New Tar Roads	Existing Tar Roads Re-tarred	Existing Tar Roads Re-sheeted
2013/2014	6.0km	3.0km	3.0km	N/A
2014/2015	1.5km	1.5km	N/A	N/A
2015/2016	0.5km	N/A	0.5km	N/A



3.8 Cost of Construction/ Maintenance

➤ **Background**

Umzimkhulu local municipality has embarked on purchasing the Construction Machinery to mitigate the backlog reduction around the maintenance of the roads and storm water management.

During this financial year of 2015/2016 the UMzimkhulu local municipality has improved in terms of Addition equipment purchased in order to fast track the Maintenance programme Such as procurement of One Low bed Truck, One Excavator and One Water tanker to assist the available resources purchased which were the Grader (1), Three Tip trucks, one TLB, and one roller; and it is still being managed internally by our Engineering staff.

➤ **Progress:**

Since the programme commenced the backlog has been eliminated approximately by 60% from the uMzimkhulu roads network that seems to be huge, the municipality has also enhanced in hiring more machines to assist in fast tracking these backlogs, which has really played a vital role in mitigating the backlogs in terms of Maintenance. The programme includes the full maintenance and blading with associated storm water management.

➤ **Challenges include:**

The Municipality is struggling to maintain roads as per demand due to the capacity and huge backlog.



3.9 Cost of Construction/Maintenance

Figure 21: Cost of Construction

Cost of Construction/Maintenance				
R'000				
Financial Year	Gravel		Tar	
	New	Maintained	New	Maintained
2013/2014	R19 062 586.87	R 1 636 000	R7 143 986	R 605 000.00
2014/2015	R14,963,715.08	R4,355,436.27	R7 131 453.81	R 150 000
2015/2016	R16,000,000.00	R3,313,600	n/a	R728,514.00

3.10 Storm water Drainage

The municipality has undertaken an initiative of addressing the dilapidating of its road infrastructure through an initiative of back to basics program.

The issue was the huge blockage of storm water within townships that connects to the upgraded storm water within CBD. This resulted to in efficient storm water system as a result water tends to flow on road surface and outside the road resulting to erosion of road reserve and within community properties:

- (a) The top part of Umzimkhulu town (Majardini, Extension 6 etc.), which are closer to town; (middle density residential areas); do not have proper storm water drainage system. This storm water drains to the CBD during heavy rains and thus contributes to the flooding problem of the CBD.



In addressing challenges above:

- ✓ The appointment of a contractor to do routine maintenance of municipal tarred roads had revealed to be an effective initiative hence apart of other addressed activities, almost 50% of storm water had been unblocked and cleaned to ensure effective flow within.

Figure 22: Storm Water Drainage

Storm water Infrastructure Kilometres				
Financial Year	Total Storm water measures	New Storm water measures	Storm water measures upgraded	Storm water measures maintained
2013/2014	5.8km	0.7km	0.11km	5km
2014/2015	0.3km	0.3km	N/A	5km
2015/2016	10km	N/A	75m	7km

Figure 23: Cost of Construction – Storm Water

Cost of Construction/Maintenance R'000			
Financial Year	Storm water Measures		
	New	Upgraded	Maintained
2013/2014	R 2 700 000	N/A	R 200 000
2014/2015	R 660 000	N/A	R 170 000
2015/2016	N/A	R 280 997.08	R200 000



Component C: Planning and Development

❖ Opportunities:

- ✓ Good weather condition;
- ✓ Good agriculture base;
- ✓ Good value chain opportunities in the agricultural sector (incl. Bio diesel and crushing of maize);
- ✓ Availability of land and goods climate conditions creates opportunities for long term economic growth; and
- ✓ Existence of tourism unit in municipality.

❖ Challenges:

- ✓ Sewing sector: lack of skills;
- ✓ Welding skills shortage & access to market;
- ✓ Baking shortage of water and electricity supply;
- ✓ Honey difficult to access finance;
- ✓ Brick and block making limited access to land, lack of finance and supply
- ✓ Accommodation lack of funding

The following tables demonstrate the jobs created through the Local Economic Development initiatives as well the Extended Public Works Programmes.

Figure 24: LED Initiatives

Job Created During 2015/2016 by LED Initiatives (Excluding EPWP projects)				
Top 3 Initiatives	No. of Jobs Created	No. of Jobs Lost/Displaced By Other Initiatives	Net Total Jobs Created	Method of Validating Jobs Created
Indiza farm Irrigation system	15	0	15	Reports
Fencing arable land	180	0	180	Reports
Implementation of Informal trader plan	N/A	N/A	N/A	Reports



Figure 25: EPWP job creation

Job Creation through EPWP projects		
Details	No . of EPWP Projects	Jobs Created through EPWP Projects
2014/2015	3	190
2015/2016	3	190



Component D: Community and Social Services

3.11 Libraries, Galleries and Community Facilities

Figure 26: Libraries, Archives, Museums, Other

Employees: Libraries, Archives, Museums, Galleries, Community Facilities, Other				
	2014/2015	2015/2016		
Job Level	No. of Employees	No. of Posts	No. of Employees	% Vacancies
0-3	01	02	02	0
4-6	02	02	0	0
Total	03	04	04	0

3.12 Metropolitan Police Service Data

To improve road safety, the following measures were taken by both the Traffic unit and the Pound unit;

❖ **Measures:**

- ✓ Road blocks conducted;
- ✓ Scholar patrol conducted; and
- ✓ Employment of traffic officers.



❖ **Efficiencies Achieved:**

- ✓ Compliance with legislation (NTRA, AARTO, RTMC).

Figure 27: Metropolitan Police Service Data

Metropolitan Police Service Data				
No.		2014/2015	2015/2016	
	Details	Actual No.	Estimate No.	Actual No.
1	Number of road traffic accidents during the year	258		60
2	Number of by-laws infringement attended	263		460
3	Number of officers on duty on an average day	8 officers		8 officers



Component E: Sports and Recreation

3.13 Sports and Recreation

The sports and recreation initiatives that were conducted;

- ✓ Hosted a Mayoral Cup Tournament, where all 20 Wards participated and represented different sporting codes.

Winners from the Mayoral Cup were then selected to represent the District.

Figure 28: Employee Levels and Vacancies

Employees: Sports and Recreation				
	2014/2015	2015/2016		
Job Level	No. of Employees	No. of Posts	No. of Employees	% Vacancies
0-3	1	1	1	0
Total	1	1	1	0



Component F: Corporate Policy Offices and Other Services

3.14 Executive and Council

The executive office is established in terms of chapter 4, Sections 42-82, of the Internal Structures and Functions and Part 1, Sections 42-53, of Executive Committees of the Local Government Municipal Structures Act, Act No.117 of 1998.

There are various programmes that were designed for the Councillors in terms of capacitating their roles and responsibilities.

3.15 Financials

All financial policies were reviewed for the 2015/2016 Financial Year.

Figure 29: Debt Recovery

Debt Recovery				
R'000				
Services Rendered	2014/2015		2015/2016	
	Actual Billed for the year	Actual Collection for the year	Actual Billed for the year	Actual Collection for the year
Property Rates	R 9 681 700	R 6 521 971	R 10 379 838	R 7 296 892
Refuse	R 761 239	R 778 124	R 829 690	R 829 509



3.16 Human Resource Management

In 2015/2016 financial year, all vacant posts were filled as per the organogram.

3.17 Information and Communication Technology

The ICT Unit was fully functional during 2015/2016 and ICT services were provided in-house.

ICT Policies were also reviewed and adopted by Council. The implementation and monitoring of these policies was under the supervision of the ICT Manager. As part of the policy, the Municipal Manager is required to review the implementation of these policies and propose any necessary amendments to the Council.

3.18 Property, Legal, Risk Management and Procurement

The Legal Section is located within the Corporate Services department, though other legal services are outsourced as and when needed.



Component G: Organisational Scorecard

PERFORMANCE SUMMARY/OVERVIEW

The purpose of this report is to communicate Performance planning, Performance Implementation, and Performance measurement that the Institution implemented during 2015/2016 financial year. The report presents the year-end performance results of uMzikhulu municipality.

Included are Highlights from the key performance measures that are in the 2015/2016 IDP. These priority measures constitute the Municipal/Institutional Scorecard for 2015/2016.

PERFORMANCE AND SUPPORTING INFORMATION

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. Government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical.

Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required

The purpose of performance reporting is to report on the implementation and achievements of IDP outcomes, and this section therefore provides an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables achieved as started in the IDP. In the table below the performance achieved is illustrated against the SDBIP according to the strategic objectives linked to the municipal KPA's

The traffic light system explains the method by which that the overall assessment of actual performance against targets set for KPIs of the SDBIP is measured.

- *The Municipal Scorecard reflects the 6 national KPA's and this performance report is based on measures included within the Municipal Scorecard.*
- *The traffic light system used to report performance is as follow:*
 - **Blue** – Performance above the target
 - **Green** – Performance meets target
 - **Red** – performance below target



MUNICIPAL PERFORMANCE PER NATIONAL KEY PERFORMANCE AREA

1. CROSS-CUTTING

The overall score for this KPA is 93%. There were 27 measurable Key Performance Indicators For 2015/2016 and they were all achieved. 02 were not achieved

2. BASIC SERVICE DELIVERY

There were 98 measurable Key Performance Indicators for this National KPA and they were measured As follows;

- ✓ Performance meets the Target = 75 or 77%
- ✓ Performance above the Target = 08 or 08%
- ✓ Performance below the Target = 15 or 15%

The overall score for this KPA is therefore 85%

3. GOOD GOVERNANCE & PUBLIC PARTICIPATION

The overall score for this KPA is also 100%. There were 108 measurable Key Performance Indicators for 2015/2016 and they were all achieved.

3. MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

There were 69 measurable Key Performance Indicators and 67 were all achieved. A scored of 97% was therefore achieved. 02 were not achieved

5. MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

The overall score for this KPA is also 100%. There were 121 measurable Key Performance Indicators for 2015/2016 and they were all achieved.

6. LOCAL ECONOMIC DEVELOPMENT

There were 30 measurable Key Performance Indicators and they were all achieved.



The performance of the four quarters was consolidated to arrive at the annual performance rating for the municipality which is **99,6%** for the 2015/16 financial year.

The detailed Performance review of uMzikhulu Local municipality is captured in the table below:

DRAFT



UMZIMKHULU MUNICIPALITY
2015/2016 ANNUAL REPORT



FINAL UMZIMKHULU ORGANISATIONAL SCORECARD – 2015/2016

The following tables provide a detailed performance review per KPA for the 2015/2016 period.

UMZIMKHULU LOCAL MUNICIPALITY												
IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
CROSS - CUTTING												
SDBIP 1	To ensure that development is in line with the spatial requirements and applicable legislation by 2016 and beyond	Establishment of Clydesdale formalisation	Number of quarterly reports on establishment of Clydesdale formalisation submitted to standing committee	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on establishment of Clydesdale formalisation prepared and submitted to the Standing committee. (A development application was submitted to the municipality in line with SPLUMA and Planning Development Act, and the municipality has adopted the application in line with procedures entailed in		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										schedule 1 of the PDA. The newly adopted layout for the area is in a process of being submitted to Surveyor general office)		
IDP/SD BIP 1		Land Acquisition for Rietvlei, Ebizweni and Ebuta)	Municipality in possession of the Title Deeds for (Rietvlei, Ebizweni and Ebuta) Yes/No)	number	Proof of transfer / vesting of land to the municipality		n/a	Proof of transfer/ vesting of land to the municipality	Proof of transfer / vesting of land to the municipality	Not Achieved , Dpt. Land affairs & Public works are still in a process of transferring land to the municipality		Target now to be Achieved during the Q4 of 2016/17
IDP/SD BIP 2		Implementation of the Strategic Environmental management Plan and	SDF aligned to the Strategic Environmental Management Plan (biodiversity management legislation) Yes/No)	number	SDF approved by Council	SDF	n/a	SDF approved by Council	SDF approved by Council	Achieved , The Spatial Development Framework was approved together with other sector plans on the Special Council of 30 May 2016.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 2		Implementation of the approved CBD layout plan	Number of surveyed sites valued	number	68	n/a	n/a	68	68	Achieved, Low impact, commercial & residential properties have been valued.		Not required
SDBIP 3			Number of quarterly progress reports on servicing newly established sites(valued Sites)	number	4	4	n/a	4	4	Achieved, 4 Quarterly progress reports on servicing new established sites. (The process of provision of bulk services for the new established properties is being facilitated through seeking funding from Harry Gwala District Municipality. Options are		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										also being explored on how alternative funding can be arranged)		
SDBIP 4			Developer appointed (Yes/No)	number	Developer appointed	n/a	n/a	Developer appointed	Developer appointed	Not Achieved. SCM processes are being finalized for the appointment of the Developer		This target will now be achieved during the Q1 of 2016/17
SDBIP 6		Land invasion register	Turnaround time (in Days) to communicate identified land invasions to CSS for Law Enforcement	days	14	n/a	n/a	14	14	Achieved, identified Land invasions communicated within 14 days to Community & Social Services for Law enforcement		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 7		Conduct awareness campaigns on land invasion (ward 16,12,11,2 and 17)	Number of Awareness campaigns conducted	number	2	n/a	n/a	2	2	Achieved, Awareness was done for ward 16, 11 and 17 for land invasion and town planning and development		Not required
IDP/SD BIP 4		Implementation of the Planning and Development Act(PDA)	Percentage compliance of developments to the PDA	percentage	100%	100%	n/a	100%	100%	Achieved, Applications received are dealt with in accordance with schedule 5 of the planning development act and SPLUMA.		Not required
SDBIP 5		Tenure upgrades and Anomaly rectification	Number of land ownership audit reports submitted to Standing committee	number	12	12	n/a	12	12	Achieved, 12 monthly Land ownership audit reports submitted to the Standing committee.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 5			Rietvlei and Ibisi township register opened with Deeds office -Yes/No	number	Yes	n/a	n/a	Yes	Yes	Not Achieved, Requirements for opening a township register is conditions of establishment and approved General Plan by surveyor general office which is yet to be submitted to SG once the PDA & PLUMA processes are finalized		Target to be achieved during the Q4 of 2016/17
IDP/SD BIP 7		Adherence to National Building Regulation and Standards when approving to Building Plans applications as per checklist	Percentage compliance with National Building Regulation and Standards	percentage	100%	100%	n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 8		Approval of building plans within specified time frames	Turnaround time (in weeks) on approval of residential applications	number	6	n/a	n/a	6	6	Achieved, (building plans received have been returned within time frames)		Not required
SDBIP 9			Turnaround time (in weeks) on approval of commercial applications	number	6	n/a	n/a	6	6	Achieved, (plans received have been returned within time frames)		Not required
SDBIP 10		Conduct building inspections on all approved new construction sites and enforcement of building regulations and by Laws	Number of reports on conducted construction inspections per schedule	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on Construction inspections conducted		Not required
SDBIP 11			Number of enforcement report on	number	4	4	n/a	4	4	Achieved, 4 Quarterly enforcement reports on		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			inspections conducted as per schedule							inspections conducted		
SDBIP 12		Facilitate provision of Human Settlement (Riverside, Clydesdale, Ibisi, Ext 5,6,9,10)	Number of reports submitted to the standing committee on facilitated Human Settlement provision	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on facilitated Human Settlement provision		Not required
SDBIP 13		Beneficiary management for Human	Number of human settlement beneficiaries	number	109	n/a	n/a	109	109	Achieved, Advert has been issued on the 22January		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Settlement provision (at Riverside, Clydesdale)								2016 for expropriation		
IDP/SD BIP 8		Facilitation of middle income housing demand at Ebizweni, Ebutha and Mankofu Project	Number of Reports submitted to standing committee on middle income housing demand at Ebizweni, Ebutha and Mankofu	number	2	n/a	n/a	2	2	Achieved, 2x reports on Middle income housing demand (Ebizweni, Ebutha, Mankofu)		Not required
SDBIP 14		Conduct Capacity Building for Housing beneficiaries at Riverside, Clydsale, Ext 5 and 6 and Ibis)	Number of Capacity building sessions conducted per project	number	1	n/a	n/a	1	1	Achieved, Capacity building has been conducted in Ext 5&6 Housing Project o		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 9		Facilitate planning for Middle income house developments in Embizweni & Ebutha	Quarterly report on planning of Embizwe, Ebutha & Mankofu	number	2X Quarterly report on planning of Embizwe, Ebutha & Mankofu			2X Quarterly report on planning of Embizwe, Ebutha & Mankofu	2X Quarterly report on planning of Embizwe, Ebutha & Mankofu	Achieved , Quarterly reports prepared.		Not required
SDBIP 15		Administer Land Administration	Number of quarterly reports on Land Administration	number	4	4	n/a	4	4	Achieved , 4 Quarterly reports on Land Administration.		Not required
SDBIP 16		Maintenance of accurate Geographic Information System data	Number of GIS reports on maintenance of GIS accurate GIS data	number	12	12	n/a	12	12	Achieved , 12 monthly GIS reports on maintenance of GIS data		Not required
SDBIP 17		Implementation of the Geographic Information System services policy	Percentage implementation of the GIS services Policy	percentage	100%	100%	n/a	100%	100%	Achieved , 100% compliance with the policy as per the checklist.		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 18		Annual maintenance of the GIS software	Percentage compliance with the ESRI SLA	percentage	100%	100%	n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
SDBIP 19		Interface of GIS to billing System	MUNSOFT system interfaced with GIS system (Yes/No)	number	Yes	new KPI	n/a	Yes	Yes	Achieved		Not required
SDBIP 20		Plan for development of SMME Facility in Umzimkhulu	Submit EIA application to Environmental Affairs (Yes/No)	number	Yes	new KPI	n/a	Yes	Yes	Achieved		Not required
BASIC SERVICE DELIVERY												



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 15	Provision of sustainable road infrastructure and network by 2016 and beyond	Construction of new Gravel Access Roads	Percentage completion of Gwijendlini Access Road (Ward 5) as per Project Plan	percentage	100%	new KPI	Finalising Infrastructure. sector Plan	100%	100%	Not Achieved , The overall progress up to 30st June is 92%.		The contractor was issued with letters of notice to complete works. They promised to complete by end of July 2016. Penalties will be invoked for any further delays and is now on penalties.
IDP/SD BIP 16			Percentage completion of Kwafile Access Road (Ward 10) as per Project Plan	percentage	100%	new KPI	Finalising Infrastructure. sector Plan	100%	100%	Achieved {Project 100% complete and was completed in May 2016}		Not required
IDP/SD BIP 17			Percentage completion of Cebe Access Road (Ward 9) as per Project Plan	percentage	100%	new KPI	Finalising Infrastructure. sector Plan	100%	100%	Achieved {Project 100% complete and it was completed in Quarter 3 of 2015/16}		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 18			Percentage completion of Gudlintaba Access Road (Ward 6) as per Project Plan	percentage	100%	new KPI	Finalising Infrastructure sector Plan	100%	100%	Achieved {Project 100% complete and it was completed in Quarter 3}		Not required
IDP/SD BIP 19			Percentage completion of Lukhetheni Access Road (Ward 14) as per Project Plan	percentage	25%	new KPI	Finalising Infrastructure sector Plan	25%	Service Provider appointed	Achieved , Appointment letter issued in June 2016		Not required
IDP/SD BIP 20			Percentage completion of Tshaka Access Road (Ward 12) as per project plan	percentage	25%	new KPI	Finalising Infrastructure sector Plan	25%	Service Provider appointed	Achieved , Appointment letter issued in June 2016		Not required
IDP/SD BIP 21			Percentage completion of Nozibhobo Access Road (Ward 7) as per Project Plan	percentage	25%	new KPI	Finalising Infrastructure sector Plan	25%	Service Provider appointed	Achieved , Appointment letter issued in June 2016		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 22			Percentage completion of Magwala Access Road (Ward 18) as per Project Plan	percentage	25%	new KPI	Finalising Infrastructure sector Plan	25%	Service Provider appointed	Achieved, Appointment letter issued in June 2016		Not required
IDP/SD BIP 26		Construction of Tarred roads	Percentage completion as per Project Plan (Tarring of Ibisi road) (Ward 11)	percentage	25%	new KPI	Finalising Infrastructure sector Plan	25%	Service Provider appointed	Not Achieved, SCM resolved to re-advertise this project because none of the service providers met SCM compliance requirements		This will now be done during Quarter 1 of 2016/17
IDP/SD BIP 28	To ensure provision of sustainable public facilities by 2017 and	Construction of Sport Fields	Percentage completion of Ward 2 Sport field- Riversdale as per Project Plan	percentage	100%	new KPI	Finalising Infrastructure sector Plan	100%	100%	Achieved {Project 100% complete}		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 29	beyond		Percentage completion of Ward 17 Sport field- Hopewell as per Project Plan	percentage	25%	new KPI	Finalising Infrastructure sector Plan	25%	Service Provider appointed for EIA. (for Harry Gwala Sport centre)	Not Achieved, The issuing of actual advert incurred unforeseen delays from EDTEA, they took longer than expected to respond to our intention to conduct EIA which was submitted to them on the 03rd March 2016, the advert was therefore issued late.		This will now be done during Quarter 2 of 2016/17
SDBIP 1	To ensure effective, efficient and compliant environmental	Monitor Dump Site Usage	Number of reports on dump site usage report submitted to the standing committee	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Dump site usage		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 3	management by 2016 and beyond	Monitor compliance of the Dump Site with applicable legislation	Number of Dump Site Audits conducted by WMU.	number	12	12	n/a	12	12	Achieved, 12 Dump site audits conducted		Not required
SDBIP 4		Monitor the effectiveness of the Recycling programme	Percentage of recycled waste to total waste collected	percentage	100%	100%	n/a	100%	6 x Monthly reports indicating tons of waste recycled	Achieved, Recycling of cardboard and PET was/is conducted at Mankofu dumpsite		Not required
SDBIP 5		Conduct Waste Management Awareness Campaigns	Number of Waste Management Awareness Campaigns conducted	number	4	n/a	n/a	4	4	Achieved, 4 waste management awareness campaigns conducted		Not required
SDBIP 6		Collection of waste from designated areas	Number of households where waste is collected per annual list	number	8699	8699	n/a	8699	8699	Achieved, Waste is collected to all areas as per approved collection schedule/list		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 12		Street Cleaning to 12 streets	Number of streets cleaned per day	number	12	12	n/a	12	12	Achieved, 12 streets cleaned per day		Not required
SDBIP 29		Cleaning of public toilets	Number of public toilets cleaned per day	number	29	n/a	n/a	29	29	Achieved, 29 Public toilets cleaned per day		Not required
SDBIP 9		Monitor and report on Illegal dumping	Number of inspections conducted per plan to identify illegal dumping	number	48	n/a	n/a	48	48	Achieved, 48 inspections conducted in White city		Not required
SDBIP 10			Turnaround time (in months) from identification to closure	Months	1	n/a	n/a	1	1	Achieved, Identified illegal dumps were removed at White City and at New City within turnaround time (one month, from identification to closure)		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 11		Implementation of the Waste management plan	Number of reports on Implementation of the Waste management plan	Number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on implementation of the Waste management plan		Not required
SDBIP 12		Reviewal of Waste management plan	Reviewed Waste Management Plan adopted by council	Number	Reviewed Waste Management Plan	Waste Management Plan	n/a	Reviewed Waste Management Plan	Reviewed Waste Management Plan	Achieved, Waste Management plan reviewed		Not required
IDP/SD BIP 35	To provide access to sustainable electricity by 2016 and beyond	Provision of rural electrification to Nongingqa, Bomvini and surroundings	Percentage completion of the electrification project per project plan	Percentage	100%	100%	n/a	100%	100%	Not Achieved, Overall progress is 95%. Nongingqa outage date was set for 21 June 2016 and had to be cancelled due to non-completion of commissioning of section breaker. To meet Ixopo Eskom to discuss further		Project at 95% completion, Project will be completed during the 2nd quarter of 2016/17.



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										outage dates.		
IDP/SD BIP 36			Number of households electrified	number	700	n/a	n/a	700	700	<p>Not achieved, 75% completed MV&LV excavation and pole planting</p> <p>Nongingqa outage date set for 21 June 2016 was cancelled due to non-completion and commissioning of section breaker in time. To meet Ixopo Eskom to discuss outage dates.</p>		<p>This Project is 75% complete,</p> <p>Project will be completed during the 2nd quarter of 2016/17.</p>
SDBIP 13		Maintenance of electricity infrastructure	Turnaround time (in hours) to attend to electricity faults	hours	48	n/a	n/a	48	48	<p>Achieved, Faults were attended within the turnaround time.</p>		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 14			Number of inspections conducted per week	days	96	n/a	n/a	96	96	Achieved, 96 inspections were conducted during the year (2 per week, 24 per quarter, and 96 per a/n)		Not required
IDP/SD BIP 37	Provision of sustainable road infrastructure and network by 2016 and beyond	Maintenance of gravel roads	Number of kms of gravel roads bladed	number	80		n/a	80	80	Achieved (149.3km), Q1=35.1km, Q2=23.9km, Q3=54.4km, Q4=35.9km		Not required
IDP/SD BIP 38			Number of kms of gravel roads fully bladed/maintained	number	30		n/a	30	30	Achieved (44.6), Q1=14km, Q2=14km, Q3=5.8km, Q4=10.8km		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 15		Maintenance of tarred roads	Number of square meters of potholes maintained	number	200m3		n/a	200m3	200m3	Achieved (1297m3), Q3=50m3, Q4=1,247m3		Not required
SDBIP 16			Number of kms on De-silting of Storm water every 6 months	number	5		n/a	5	5	Not Achieved, This project was put on hold due to budget constarints		The project will now be done during 2 nd quarter of 2016/17
SDBIP 17			Number of kms of road maintained per Maintenance Plan (road makings)	number	10		n/a	10	10	Not Achieved, This project was put on hold due to budget constarints		The project will now be done during 2 nd quarter of 2016/17
SDBIP 18			Turnaround time (in hours) to attend to reported faults on Tarred roads	hours	48		n/a	48	48	Achieved, no complaints received from customer care office, faults attended on		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										daily bases as identified by internal maintenance team.		
IDP/SD BIP 42	To provide sustainable public facilities by 2017 (5% annual reduction of backlogs in relation to public facilities by 2016)	Construction of UMzimkhulu Memorial hall.	Percentage completion of UMzimkhulu Memorial hall	percentage	100%		n/a	100%	100%	Not Achieved, The overall progress for this project is at 53%. This project experienced delays due to poor performance of Implementing Agent. Their contract had to be terminated and a new IA has been appointed.		A new Implementing Agent has been appointed. for a period of 15 months (Q4 of 2016/17)
IDP/SD BIP 45		Construction of New Traffic Offices	Percentage completion of New Traffic Offices	percentage	100%		n/a	100%	100%	Not Achieved, (95% completion) This project experienced delays due to		Completion is expected during 2 nd Quarter of 2016/17



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										poor performance of the Contractors. Their contract had to be ceded to a local contractor who is now busy with finalisation of electrical works and the additional works as recommended by DoT.		
SDBIP 19		Maintenance of Public Facilities	Percentage completion of paving at council chamber	percentage	100%		n/a	100%	100%	Not Achieved. Project was discontinued since no compliant Service Provider could be achieved. CIDB condition is		Project withdrawn due to financial constraints



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										that a project can only be re-advertised after six month		
SDBIP 20		Maintenance of Municipal Buildings	Turnaround time (in hours) to attend to maintenance of Municipal Buildings	hours	48		n/a	48	48	Achieved, Minor repairs done within the turnaround time at gate Way, Municipal house and Pound.		Not required
SDBIP 21		Maintenance of Sports Fields (Ntsikeni, Rietvlei,Zwelinzima)	Number of service providers appointed for maintenance of Zwelinzima SF,Rietvlei SF and Ntsikeni	number	3		n/a	3	3	Not Achieved, Only Zwelinzima sport field Service Provider was appointed. Rietvlei and Ntsikeni were roll-forwarded to the next		Rietvlei and Ntsikeni will now be done during Quarter 2 of 2016/17.



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										financial year due to Budget constraints.		
IDP/SD BIP 39			Percentage completion Zwelinzima SF, Rietvlei SF and Ntsikeni as per approved project plans	percentage	100%		n/a	100%	100%	Not Achieved, Zwelinzima was completed. Rietvlei SF and Ntsikeni were referred next financial year due to budget constraints.		Rietvlei and Ntsikeni SF to be done during Quarter 3 of 2016/17.
SDBIP 21		Maintenance of Community Halls (Ibisi,Rietvlei,Sisonke,Gugwini,St Michaels, Nombewu)	Number of service providers appointed for maintenance of Ibisi,Rietvlei,Sisonke,Gugwini,St Michaels, Nombewu) Community Halls	number	3		n/a	3	3	Achieved, Service providers for; Ibisi, Gugwini, Sisonke appointed.		Not required
IDP/SD BIP 41			Percentage completion of maintenance of Ibisi,Rietvlei,Sis	percentage	100%		n/a	100%	100%	Not Achieved, Ibisi, Sisonke, Gugwini and Clydesdale CH		Rietvlei, St Michaels and Nombewu community



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			onke, Gugwini, St Michaels, Nombewu) community halls as per approved project plans							are 100% completed. Rietvlei, St Michaels and Nombewu CH were moved to next financial year due to budgetary constraints		halls to be done during Quarter 4 of 2016/17.
SDBIP 22		Effective reporting and accountability	Number of reports submitted to standing committee on Public Facilities management	number	12		n/a	12	12	Achieved, 12 monthly reports on Public Facilities Management		Not required
SDBIP 23	To ensure integration of the communities in development programmes by 2016 and beyond	Conduct social facilitation awareness workshops	Number of workshops conducted	number	8		n/a	8	8	Achieved, workshops conducted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 25	Provision to sustainable road infrastructure to uMzimkhulu community by 2017	Attendance of projects site meeting	Number of project site meetings attended	number	84		n/a	84	84	Achieved, All 84 project meetings attended		Not required
SDBIP 23	To increase total municipal own revenue base by 10% by 2016	Management of Indigent Register	Number of applicants in the indigent register (new)	number	140		n/a	140	140	Achieved (468 Indigent households getting free basic services) Q1=82 applic Q2= 150app Q3=199 appl Q4=37 applic		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
GOOD GOVERNANCE & PUBLIC PARTICIPATION												
	To continuously promote and preserve indigenous languages within uMzimkhulu (i.e. isiXhosa and isiZulu)	Conduct an Arts and Culture talent search for Poetry, Iscathamiya, Inhl okohlela, Isbhaca sentombi, Isbhaca sensizwa, Jikama-Jika, Hip-Hop, Kwaito in 5 zones and 1 Local level	Number of Arts and Culture Talents search events co-ordinated	number	1		n/a	1	1	Achieved, Arts and Culture Talents search events co-ordinated		Not required
		Coordinate annual Arts and Culture Indaba	Number of Annual Arts and Culture Indaba Co-ordinated	number	1		n/a	1	1	Not Achieved, Annual Arts and Culture Indaba Co-ordinated		
		Co-ordinate a Jazz session at local level	Number of Jazz sessions co-ordinated	number	1		n/a	1	1	Achieved, Jazz session co-ordinated		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 49	To promote moral regulation and upholding of indigenous societal values by 2016 and beyond	Co-ordinate the anti-Ukuthwalwa kwezintombi campaigns	Number of the anti-Ukuthwalwa kwezintombi campaigns co-ordinated (5 zones)	number	3			3	3	Achieved, Anti-Ukuthwalwa kwezintombi campaigns co-ordinated		Not required
IDP/SD BIP 50		Coordinate and participate in Moral regeneration programs (Umkhosi Womhlanga and umcimbi wentombi).	Number of Umkhosi Womhlanga events participated in.	number	1		n/a	1	1	Achieved, Umkhosi Womhlanga event attended		Not required
			Number of Umcimbi wentombi events co-ordinated.	number	1		n/a	1	1	Achieved, Umcimbi wentombi event co-ordinated		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 52	To ensure provision of compliant and efficient traffic services and road safety by 2016 and beyond	Participate in Multi-disciplinary roadblocks (RTI, SAPS)	Number of Multi-disciplinary roadblocks (RTI, SAPS) participated	number	12		n/a	12	12	Achieved, 12 Multi-disciplinary roadblocks (RTI, SAPS)		Not required
		Conduct Local Roadblocks	Number of Local Roadblocks conducted	number	96		n/a	96	96	Achieved, 96 Local Roadblocks conducted		Not required
IDP/SD BIP 53		Upgrade the level of the Existing Testing Centre	Level B Status of the Testing Centre achieved - Yes/No	number	Yes		n/a	Yes	Yes	Not Achieved, Level B Status of the Testing Centre achieved		
		Conduct a Road safety Awareness campaign	Number of Road safety awareness campaigns conducted	number	8		n/a	8	8	Achieved, Road safety awareness campaigns conducted		Not required
		Conduct routine patrols of Stray Animals	Number of routine patrols	number	336		n/a	336	336	Achieved, 336 routine patrols of Stray Animals		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			of Stray Animals conducted							conducted		
IDP/SD BIP 55		Conduct a Stray Animals Awareness campaigns	Number of Stray Animals Awareness campaigns conducted	number	4		n/a	4	4	Achieved, 4 Stray Animals Awareness campaigns conducted		Not required
	To ensure provision of accessible, economical and compliant library services by 2016 and beyond	Implementation of the library procedure manual	Percentage compliance with Library procedure manual	percentage	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
IDP/SD BIP 57		Effective Functioning of the Library Services	Percentage increase in Library membership	percentage	100%		n/a	3%	3%	Achieved, 3% library membership increase achieved		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 58			Number of reports(with statistics) prepared on effective functioning of the library	number	12		n/a	12	12	Achieved, 12 monthly reports on effective functioning of the Library		Not required
IDP/SD BIP 59		Books Exchanges Programme	Number of Book Exchanges per quarter	number	4		n/a	4	4	Achieved, 4 quarterly book exchanges		Not required
		Conduct Library Road shows in all 5 Zones	Number of Library Road shows conducted per zone in all 5 Zones	number	5		n/a	5	5	Achieved, 5 Library Road shows conducted		Not required
IDP/SD BIP 60		Conduct mobile library visits (High schools and Junior schools) in all 5 Zones	Number of mobile library visits (High schools and Junior schools) in all 5 Zones conducted	number	20		n/a	20	20	Achieved, 20 mobile library visits conducted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	To ensure effective, compliant and efficient disaster management services by 2016 and beyond	Implementation of the Disaster Management plan and policy	Number of Disaster Management forum meetings co-ordinated	number	4		n/a	4	4	Achieved, 4 Disaster Management forum meetings co-ordinated		Not required
		Co-ordinate Disaster Management Awareness campaigns	Number of Disaster Management Awareness campaigns co-ordinated	number	28		n/a	28	28	Achieved, 28 Disaster Management Awareness campaigns co-ordinated		Not required
	To ensure effective and efficient HIV/AIDS management by 2016 and beyond	Attend Ward Aids Council meetings	Number of Ward Aids Council meetings attended	number	120		n/a	120	120	Achieved, 120 Ward Aids Council meetings attended		Not required
		Coordinate quarterly Local Aids Council	Number of Local Aids Council meetings co-	number	4		n/a	4	4	Achieved, 4 Local Aids Council meetings co-		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		meetings	ordinated							ordinated		
IDP/SD BIP 62		Coordinate the world AIDS day (local) at 1 zone	Number of world AIDS day (local) at 1 zone co-ordinated	number	1		n/a	1	1	Achieved , world AIDS day (local) at 1 zone co-ordinated		Not required
IDP/SD BIP 63		Co-ordinate HIV/AIDS awareness campaigns in all 4 zones	Number of HIV/AIDS awareness campaigns in all 4 zones co-ordinated	number	4		n/a	4	4	Achieved , 4 HIV/AIDS awareness campaigns in all 4 zones co-ordinated		Not required
		HIV/AIDS Activity Reporting on Strategy implementation	Number of monthly HIV/AIDS Activity reports on Strategy implementation	number	12		n/a	12	12	Achieved , 12 monthly HIV/AIDS reports on implementation of Strategy.		Not required
		Distribution of Condoms	Number of Municipal events at which condoms are	number	3		n/a	3	3	Achieved , Condoms distributed		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			distributed									
	To ensure mainstreaming of the special programmes in the municipal business activities by 2016 and beyond	Co-ordinate Local Sport Council meetings	Number of Local Sport council meetings co-ordinated	number	4		n/a	4	4	Achieved, Local Sport council meetings co-ordinated		Not required
			Number of District Marathons participated in.	number	1		n/a	1	1	Achieved, District Marathons attended		Not required
		Co-ordinate Sports Events	Number of Sporting's codes uMzimkhulu municipality participated in during SALGA Games	number	9		n/a	9	9	Achieved, participated in 9 sporting codes		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Number of Sporting Codes for the Mayoral Cup	number	7		n/a	7	7	Achieved, 7 Mayoral cup sporting codes		Not required
			Number of Golden Games participated in	number	1		n/a	1	1	Achieved, Participated in Golden games		Not required
		Effective implementation of the Special Programmes	Number of Ward Disability Forum meetings attended	number	120		n/a	120	120	Achieved, 120 Ward Disability Forum meetings attended		Not required
IDP/SD BIP 66			Number of SPU(Disability) forum meetings co-ordinated	number	4		n/a	4	4	Achieved, 4 SPU(Disability) forum meetings co-ordinated		Not required
IDP/SD BIP 67			Number of SPU(Youth/Men and elderly) forums co-ordinated	number	4		n/a	4	4	Achieved, 4 SPU(Youth/Men and elderly) forums co-ordinated		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 68			Number of District SPU(Disability) forums attended	number	4		n/a	4	4	Achieved, 4 District SPU(Disability) forums attended		Not required
IDP/SD BIP 69			Number of Local SPU(Disability) forum meetings co-ordinated	number	4		n/a	4	4	Achieved, 4 Local SPU(Disability) forum meetings co-ordinated		Not required
			Number of Disabled Sport Days co-ordinated	number	1		n/a	1	1	Achieved, Disabled Sport Days co-ordinated		Not required
IDP/SD BIP 70			Number of District Mayoral Cups participated in	number	1		n/a	1	1	Achieved, District Mayoral Cups attended		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 71			Number of SPU Summits(Men and Youth) co-ordinated	number	2		n/a	2	2	Achieved, 2 SPU Summits(Men and Youth) co-ordinated		Not required
		Monitor the implementation of MOU	Number of reports prepared on the implementation of MOU (Library).	number	4		n/a	4	4	Achieved, 4 Quarterly reports on implementation of MOU		Not required
IDP/SD BIP 72		Implementation of study Assistance programme	Number of students assisted with tertiary registration fees	number	60		n/a	60	60	Achieved, 60 students assisted with tertiary registration fees		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on Special	number	12		n/a	12	12	Achieved, 12 monthly reports on Special Programme Unit's		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Programme Unit management							management		
IDP/SD BIP 73	To alleviate poverty by 5% by 2016 (strengthening the Sukuma-Sakhe Flagship program)	Attend War-Room meetings	Number of War Room meetings attended	number	120		n/a	120	120	Achieved, 120 War Room meetings attended		Not required
IDP/SD BIP 74		Prepare War-Room Reports	Number of monthly War - Room reports prepared	number	12		n/a	12	12	Achieved, 12 monthly War Room reports.		Not required
		Co-ordinate Local Sukuma Sakhe Task Team meeting	Number of local Sukuma Sakhe Task Team meeting co-ordinated	number	12		n/a	12	12	Achieved, 12 local Sukuma Sakhe Task Team meeting co-ordinated		Not required
IDP/SD BIP 75		Attendance of UMzimkhulu Stakeholders forum	Number of UMzimkhulu Stakeholders forum attended	number	4		n/a	4	4	Achieved, 4 UMzimkhulu Stakeholders forum attended		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 76		Attendance of OSS District Task Team meetings	Number of OSS District Task Team meetings attended upon invitation	number	4		n/a	4	4	Achieved, 4 OSS District Task Team meetings attended		Not required
IDP/SD BIP 77		Co-ordinate Operation MBO	Number of Operation MBOs co-ordinated (per zone)	number	5		n/a	5	5	Achieved, Operation MBOs co-ordinated		Not required
IDP/SD BIP 78			Number of Food parcels distributed	number	50		n/a	50	50	Achieved, 240 Food parcels distributed		Not required
IDP/SD BIP 79			Number of Food parcels distributed (Public Service week)	number	200		n/a	200	200	Achieved, 200 War Room meetings attended		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual		
		Preparation of quarterly performance reports and submission to M&E	Number of quarterly performance report submitted	number	4	4	n/a	4	4	Achieved, 4 Quarterly Performance reports		Not required
IDP / SDBIP 84	To ensure effective, efficient and compliant administrative and conducive work environment by 2016 and beyond	Effective governance and municipal oversight	Number of council leadership meetings co-ordinated	number	12	12		12	12	Achieved, 12 meetings co-ordinated		Not required
IDP / SDBIP 94		Effective governance and municipal oversight	Percentage implementation of council resolutions per resolution register target.	percent	100%	100%	n/a	100%	100%	Achieved, council resolutions implemented		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 107	To ensure that risk threatening organisational objectives are managed to an acceptable level by 2016 and beyond	Implementation of risk action plan	Percentage implementation of risk action plans	percent	100%	100%	n/a	100%	100%	Achieved, Risk action plans implemented		Not required
IDP / SDBIP 114	To ensure effective and compliant municipal performance against the IDP by 2016 and beyond	Effective functionality of the Performance Management System	Number of performance reports submitted	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports prepared		Not required
	To ensure provision of effective, efficient and economical compliant	Coordinate sittings of the ICT steering committee	Number of sittings of the ICT steering committee	number	4	4	n/a	4	4	Achieved, Meetings coordinated		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	Information Communication Technology services commensurate to the business of the municipality by 2014											
	To ensure effective, efficient and compliant administrative and conducive work environment by 2016 and beyond	Provision of effective secretariat services to council and standing committees.	Number of days for submission of council report pack.	days	3	3	n/a	3	3	Achieved, Council report submitted within 3 days		Not required
		Effective management of council and EXCO resolutions registers	Percentage completeness of Exco and council resolutions	percent	100%	100%	n/a	100%	100%	Achieved, All Council resolutions that were due were implemented		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Percentage implementation of council resolutions per resolution register target.	percent	100%	100%	n/a	100%	100%	Achieved, All Council resolutions that were due were implemented		Not required
		Accurate capturing of council minutes	Percentage Accuracy of minutes captured	percent	100%	100%	n/a	100%	100%	Achieved, minutes 100% accurate		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on committee/	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Council support management		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Council support management									
	To ensure provision of effective, efficient and economical compliant	Monitor implementation of ICT SLAs with current service providers	Number of service provider performance reports prepared	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Performance of service providers		Not required
	Information Communication Technology services commensurate to the business of the municipality by 2014	Quarterly maintenance of ICT hardware for the entire Municipality	Number of ICT hardware maintenance reports prepared	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on ICT hardware maintenance		Not required
		Conduct ICT awareness workshops	Number of ICT workshops conducted	number	2		n/a	2	2	Achieved, ICT workshops conducted		Not required
IDP / SDBIP 95		Implementation of the BCM policy	Number of BCM tests conducted as per policy	number	1		n/a	1	1	Achieved, BCM tests conducted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Attend to Logged ICT Queries	Turnaround time to attend to logged ICT queries	hours	48	48	n/a	48	48	Achieved, ICT queries resolved within 48hrs		Not required
	To ensure provision of effective, efficient and economical compliant Information Communication Technology services commensurate to the business of the municipality by 2014	Effective reporting and accountability	Number of reports submitted to standing committee on information communication technology management	number	12	12	n/a	12	12	Achieved , 12 monthly reports on ICT management		Not required
	To ensure compliant, effective and efficient	Implementation of the customer care policy	Number of employees trained on Batopele principles	number	40		n/a	40	40	Achieved, employees trained on Batopele principles		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	customer management by 2016 and beyond.											
			Number of customer awareness campaigns conducted	number	2		n/a	2	2	Achieved, Awareness campaigns conducted		Not required
		Branding of municipal offices	Number of municipal office buildings branded	number	4			4	4	Achieved, Municipal buildings branded		Not required
		Review of Customer Care Plans	Customer Care Plan reviewed - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Customer care plan reviewed		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on customer care management	number	12	12	n/a	12	12	Achieved , 12 monthly reports on Customer care management		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	To ensure effective, efficient and compliant administrative and conducive work environment by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to standing committee on registry management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Registry management		Not required
	To ensure provision of effective and compliant human resources support services in line with the IDP by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to standing committee on human resource management, management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Human Resource Management		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual		
IDP / SDBIP 94	To ensure effective and efficient council and governance structures by 2016 and beyond	Effective governance and municipal oversight	Percentage implementation of council resolutions per resolution register target.	percent	100%	100%	n/a	100%	100%	Achieved, Council resolutions implemented 100%		Not required
IDP / SDBIP 107	To ensure that risk threatening organisational objectives are managed to an acceptable level by 2016 and beyond	Implementation of risk action plan	Percentage implementation of risk action plans	percent	100%	100%	n/a	100%	100%	Achieved, Risk action plans implemented 100%		Not required
IDP / SDBIP 114	To ensure effective and compliant municipal performance against the	Effective functionality of the Performance Management	Number of performance reports submitted	number	4	4	n/a	4	4	Achieved, 4 Quarterly Performance reports		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	IDP by 2016 and beyond	System										
	To ensure effective, compliant and credible financial planning, management and reporting by 2016 and beyond		Number of reports submitted to standing committee on Budget management	number	12	12	n/a	12	12	Achieved, 12 monthly Budget management reports.		Not required
	To ensure compliant, efficient and transparent Supply Chain Management processes by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to standing committee on supply chain management, management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on SCM management		Not required
	To ensure compliant, effective and efficient customer management	Customer Care Management	Turnaround time (in hours) to attend to customer queries	hours	48		n/a	48	48	Achieved, Customer care queries attended within turnaround		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	by 2016 and beyond.									time		
	To increase total municipal own revenue base by 10% by 2016	Effective reporting and accountability	Number of reports submitted to standing committee on Revenue management, management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Revenue Management		Not required
	To manage municipal financial resources in a way that will ensure financial sustainability by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to standing committee on Accounting Services management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Accounting services management		Not required
	To manage municipal financial resources in a way that will ensure financial	Effective reporting and accountability	Number of reports submitted to standing committee on Expenditure management,	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Expenditure management		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	stability by 2016 and beyond		management									
	To ensure provision of compliant and efficient traffic services and road safety by 2016 and beyond	Attendance of Community Safety Forum meetings	Number of CS Forum meetings attended	number	4	4	n/a	4	4	Achieved, Community safety forums attended		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on Traffic Services management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Traffic Services management		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	To ensure provision of accessible, economical and compliant library services by 2016 and beyond	Attendance of Provincial Library meetings	Number of Provincial Library meetings attended	number	4	4	n/a	4	4	Achieved, Library meetings attended		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on Library Services management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Library services management		Not required
	To ensure effective, compliant and efficient disaster management services by 2016 and beyond	Attendance to Disaster Management Forum meetings	Number of District Disaster Management forum meeting attended	number	4	4	n/a	4	4	Achieved, Disaster forums attended		Not required
			Number of Provincial Disaster Management forum meeting attended	number	4	4	n/a	4	4	Achieved, Disaster forums attended		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Effective reporting and accountability	Number of reports submitted to standing committee on Disaster management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Disaster management		Not required
IDP / SDBIP 94	To ensure effective and efficient council and governance structures by 2016 and beyond	Effective governance and municipal oversight	Percentage implementation of council resolutions	percent	100%	100%	n/a	100%	100%	Achieved, Council resolutions implemented		Not required
IDP / SDBIP 107	To ensure that risk threatening organisational objectives are managed to an acceptable level by 2016 and beyond	Implementation of risk action plan	Percentage implementation of risk action plans	percent	100%	100%	n/a	100%	100%	Achieved, Risk action plans implemented		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 114	To ensure effective and compliant municipal performance against the IDP by 2016 and beyond	Effective functionality of the Performance Management System	Number of performance reports submitted	number	4	4	n/a	4	4	Achieved, 4 Quarterly PMS reports		Not required
IDP/SD BIP 12	To promote moral regulation and upholding of indigenous society values by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to standing committee on Art & Culture management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Arts & Culture management		Not required
	To ensure effective and efficient	Effective reporting and accountability	Number of reports submitted to standing	number	12	12	n/a	12	12	Achieved, 12 monthly reports on HIV/AIDS		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	HIV/AIDS management by 2016 and beyond		committee on HIV/AIDS management							management		
	To alleviate poverty by 5% by 2016 (strengthening the Sukuma-Sakhe Flagship program)	Effective reporting and accountability	Number of reports submitted to standing committee on Sukuma Sakhe management	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Sukuma Sakhe management		Not required
SDBIP 31	To ensure effective and compliant management of municipal performance against the IDP by 2016 and beyond	Review of the IDP	Approval of IDP process plan by council (Yes/No)	number	Yes	Process plan in place	n/a	Yes	Yes	Achieved, IDP process plan adopted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 32			Number of IDP roadshows held	number	40		n/a	40	40	Achieved, IDP roadshows held		Not required
SDBIP 33			Number of IDP steering Committee meeting Co-ordinated	number	4	4	n/a	4	4	Achieved, IDP steering com coordinated		Not required
SDBIP 34			Number of IDP Rep Forum meeting co-ordinated	number	2		n/a	2	2	Achieved, IDP rep forum coordinated		Not required
SDBIP 35			Final Draft IDP adopted by council (Yes/No)	number	Yes	IDP in place	n/a	Yes	Yes	Achieved, IDP adopted		Not required
SDBIP 36			Turnaround time in days for submission of the IDP to COGTA after approval by council.	days	10		n/a	10	10	Achieved, IDP submitted within the turnaround time		Not required
SDBIP 37		Effective reporting and accountability	Number of reports	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Planning &		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			submitted to standing committee on planning and housing performance							Housing management		
SDBIP 38	To continuously ensure effective and efficient Land Administration on commensurate to economic and socio-economic development of Umzimkhulu by 2016 and beyond	Co-ordinate Land development Forum meetings	Number of Land Development Forum meetings co-ordinated	number	4	4	n/a	4	4	Achieved, Land development forums coordinated		Not required
SDBIP 39	To ensure compliant, effective and	Facilitate development of Community Residential	Number of quarterly	number	4		n/a	4	4	Achieved, 4 Quarterly reports on Community		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	efficient customer management by 2016 and beyond.	Units (CRU) in Umzimkhulu CBD	progress reports submitted to the standing committee on Community development							development		
SDBIP 40		Co-ordinate of Strategic Planning Sessions	Number of Strategic planning sessions co-ordinated	number	1		n/a	1	1	Achieved, Strategic sessions coordinated		Not required
SDBIP 41		Co-ordinate departmental Operational Plans sessions	Number of department Operational plans sessions co-ordinated	number	6		n/a	6	6	Achieved, Operational plans coordinated		Not required
IDP/SD BIP 122	To continuously ensure effective and efficient Land Administration	Coordinate community tourism organisation meetings	Number of community tourism organisation meetings co-ordinated	number	4		n/a	4	4	Achieved, Tourism meetings coordinated		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	commensurate to economic and socio-economic development of uMzimkhulu by 2016 and beyond											
IDP/SD BIP 123		Coordinate sittings of the Local community tourism Forum	Coordinate sittings of the Local community tourism Forum	number	4		n/a	4	4	Achieved, Local community tourism forum coordinated		Not required
SDBIP 42		Attendance of District LED Tourism Forum meetings as per District invite	Number of District LED Tourism Forum meetings attended as per District invite	number	4		n/a	4	4	Achieved, LED Tourism forum meetings coordinated		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 52	Provision of sustainable road infrastructure and network by 2016 and beyond	Submission of reports to Funders to update progress and expenditure	Date by which the MIG Reports are submitted	Date	MIG- (1st- POPs, 9th - Signed certificate of expenditure, 15th-MIG claims,27-PIPs)		n/a	MIG- (1st- POPs, 9th - Signed certificate of expenditure, 15th-MIG claims,27-PIPs)	MIG- (1st- POPs, 9th - Signed certificate of expenditure, 15th-MIG claims,27-PIPs)	Achieved, MIG reports submitted within the agreed time		Not required
SDBIP 53			Date by which the NDPG monthly Reports are submitted	Date	5th		n/a	5th	5th	Achieved, Reports submitted before the deadline		Not required
SDBIP 54			Date by which the DOE monthly Reports are	Date	6th		n/a	6th	6th	Achieved, Reports submitted before the		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			submitted							deadline		
SDBIP 55			Date by which the COGTA (STRP) monthly Reports are submitted	Date	6th		n/a	6th	6th	Achieved, Reports submitted before the deadline		Not required
SDBIP 56	To ensure that risks threatening organisational objectives are managed to an acceptable level by 2016 and beyond	Implementation of Risk Action Plan	Percentage implementation of risk action plans per quarter	percent	100%		n/a	100%	100%	Achieved, Risk action plans implemented		Not required
SDBIP 27	To ensure effective, efficient and compliant environmental management	Effective reporting and accountability	Number of reports submitted to standing committee on Waste management	number	12		n/a	12	12	Achieved, 12 monthly reports on Waste management		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	t by 2016 and beyond											
SDBIP 32	To provide access to sustainable electricity by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to the standing committee on Electricity function	number	12		n/a	12	12	Achieved, 12 monthly reports on Electricity unit management		Not required
SDBIP 40	Provision of sustainable road infrastructure and network by 2016 and beyond	Effective reporting and accountability	Number of reports submitted to standing committee on Roads management	number	12		n/a	12	12	Achieved, 12 monthly reports on Roads unit management		Not required
PP 01	To ensure effective and efficient council and governance structures and	Monitor Ward Committee Sectorial Meetings	Number of Ward Committee Sectorial reports submitted to the standing committee on	number	4		n/a	4	4	Achieved, 4 Quarterly reports on Ward Committee Sectorial sittings.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	processes by 2016 and beyond.		sittings of the WCS									
PP 02		Co-ordinate IDP and Budget roadshows	Number of IDP and Budget roadshows co-ordinated	number	2		n/a	2	2	Achieved, IDP roadshows conducted		Not required
PP 03		Co-ordinate Annual Report Hearings	Number of Annual report hearings co-ordinated	number	1		n/a	1	1	Achieved, AR hearing coordinated		Not required
IDP/SD BIP 210		Co-ordinate Ward Committee Capacity Building	Number of ward committee trainings co-ordinated	number	2		n/a	2	2	Achieved, WC trainings coordinated		Not required
PP 06		Monitor Ward Committee Functionality	Number of reports submitted to the standing committee on functionality of ward committee	number	12		n/a	12	12	Achieved , 12 monthly reports on Functionality of Ward committees		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
PP 08		Implementation of the Public Participation Policy	Percentage implementation of the Public Participation Policy (per quarter)	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per the checklist.		Not required
		Conduct Ward committee verifications	Number of Ward committee verifications conducted	number	12		n/a	12	12	Achieved, WC verifications conducted		Not required
		Submission of the ward committee verification report to Co-operate services	Turnaround time (in working days) for submission of the ward committee verification report to Co-operate services after standing committee meeting	days	3		n/a	3	3	Achieved, STANCO reports submitted within 3 days		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on	number	12		n/a	12	12	Achieved, 12 monthly reports on Public Participation		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Public Participation management							management		
COM 01	To ensure effective, efficient and economical systems of communication and marketing of the municipality by 2016 and beyond	Implementation of the Corporate Identity Policy	Percentage implementation of the Corporate Identity Policy	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per the checklist.		Not required
COM 05		Monitor Office appeal and update Protocol Pictures	Number of Office appeal inspections conducted per plan	number	12		n/a	12	12	Achieved, Appeal inspections conducted		Not required
			Turnaround time (in working days) to report identified faults to relevant departments	Days	5		n/a	5	5	Achieved, Faults attended within turnaround time		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Turnaround time (in working days) to update protocol pictures	Days	7		n/a	7	7	Achieved, Protocol pictures updated		Not required
COM 08		Publishing of the Municipal Newsletter	Number of newsletter editions published	number	4		n/a	4	4	Achieved, newsletters published		Not required
		Implementation of the Marketing and Communications Plan	Percentage implementation of the Marketing and Communications plan (per quarter)	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the plan as per the checklist.		Not required
COM 10		Co-ordinate Communications Committee sittings	Number of internal Communications committee sittings co-ordinated	number	12		n/a	12	12	Achieved, Internal communication committee sittings coordinated		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Co-ordinate Local stakeholders forum meeting	Number of Local Stakeholders Forum meetings co-ordinated	number	4		n/a	4	4	Achieved, Meetings coordinated		Not required
COM11		Submission of Municipal Website articles to IT	Number of articles submitted to IT for inclusion into the municipal website	number	12		n/a	12	12	Achieved, Articled submitted		Not required
COM13		Co-ordinate Municipal Media Briefings	Number of Municipal Media Briefings co-ordinated	number	2		n/a	2	2	Achieved, Media briefings coordinated		Not required
		Implementation of the Events Management Policy	Percentage implementation of the Events Management policy	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per the checklist.		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on	number	12		n/a	12	12	Achieved, 12 monthly reports on Communications		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Communication management							management		
	To ensure provision of effective and compliant assurance services by 2016 and beyond	Development and implementation of the 2016-2017 Audit Plan	Percentage compliance with the internal audit policy	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per the checklist.		Not required
RM 03	To develop systems to facilitate co-operative governance and inter government al relations especially with the District, other spheres of government and service providers to maximise	Effective risk management function	Number of risk assessment workshops facilitated	number	2		n/a	12	12	Achieved, Risk workshops facilitated		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	the development impact within ULM											
RM 05			Number of operational risk committee meetings coordinated	number	4		n/a	4	4	Achieved, Risk comm meetings coordinated		Not required
			Number of municipal risk strategic committee meetings coordinated	number	4		n/a	4	4	Achieved, Strategic risk comm meetings coordinated		Not required
RM 06			Number of reports submitted to standing committee on implementation of risk action plan (strategic and operational)	number	12		n/a	12	12	Achieved , 12 monthly reports on Implementation of Risk Action Plans		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Implementation of the anti-fraud and corruption policy	Number of anti-fraud and corruption awareness campaigns conducted	number	2		n/a	2	2	Achieved, Anti-fraud awareness campaign conducted		Not required
			Number of sitting's of the anti-fraud prevention committee	number	4		n/a	4	4	Achieved, Committee sittings coordinated		Not required
			Number of whistle blowing reports submitted to the standing committee and audit committee	number	12		n/a	12	12	Achieved , 12 monthly reports on Whistle blowing		Not required
MAE 01	To ensure effective and compliant management of municipal performance against	Effective Functionality of the Performance Management System	Number of institutional Performance reports submitted to standing committee	number	4		n/a	4	4	Achieved , 4 Quarterly reports on Institutional Performance		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	the IDP by 2016 and beyond											
MAE 02			Number of quarterly performance reports submitted to Internal Audit, COGTA, and National Treasury	number	4		n/a	4	4	Achieved, 4 Quarterly Performance reports submitted to Internal Audit, COGTA, and Treasury.		Not required
MAE 03			Number of quarterly performance reports submitted to Audit Committee	number	4		n/a	4	4	Achieved, 4 Quarterly reports submitted to Audit Committee.		Not required
			Number of Audit committee meetings attended for tabling of quarterly performance	number	4		n/a	4	4	Achieved, Quarterly performance reports submitted to Internal Audit		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			reports									
MAE 04		Preparation of Annual Performance Report	Date by which Annual Performance report is submitted to BTO	Date	15-Aug-15		n/a	15-Aug-15	15-Aug-15	Achieved, Performance agreements submitted to BTO & CoGTA		Not required
MAE 05		Submission of Annual Report to council	Draft Annual report adopted by council – Yes/No	number	Yes		n/a	Yes	Yes	Achieved, Annual Report adopted by Council on 31 August 2016		Not required
MAE 07		Co-ordinate Individual Performance Management System	Date by which sec 56 performance agreements are submitted to COGTA after signatory	Date	14-Aug-15		n/a	14-Aug-15	14-Aug-15	Achieved, sec56 Performance agreements submitted to COGTA on 14-Aug-2016		Not required
MAE 08		Date by which sec 56 performance agreements are submitted to IT	Date by which sec 56 performance agreements are submitted to IT	Date	31-Aug-15		n/a	31-Aug-15	31-Aug-15	Achieved, sec56 Performance agreements uploaded on		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		for uploading	for uploading							the website		
		Number of sec 56 performance assessments co-ordinated	Number of sec 56 performance assessments co-ordinated	number	4		n/a	4	4	Achieved, 4 Quarterly performance assessment co-ordinated.		Not required
MAE 11		Monitor implementation of Council Resolutions	Number of monthly reports submitted to the standing committee	number	12		n/a	12	12	Achieved, 12 monthly reports submitted to the Standing Committee.		Not required
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT												
	To manage municipal financial resources in a way that	Implementation of the Grants and projects procedures	Percentage implementation / compliance with grants and projects	percentage	100%			100%	100%	Achieved, 100% compliance with the regulations as		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	will ensure financial stability by 2016 and beyond		procedures							per the checklist.		
		By-Laws Enforcement	Number of Fines issued per Traffic Warden (2 TW's)	number	480		n/a	480	480	Achieved , 480 Fines issued per Traffic Warden		Not required
IDP/SD BIP 54		Adherence to Legislation (NRTA)	Percentage compliance with Legislation (NRTA)	percentage	100%		n/a	100%	100%	Achieved , 100% compliance with the regulations as per the checklist.		Not required
IDP/SD BIP 56		Effective functioning of the Pound	Percentage functioning of the Pound	percentage	100%		n/a	100%	100%	Achieved , 100% compliance with the regulations as per the checklist.		Not required (move to MFV)



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 61		Compliance with the Fire Brigade Act	Percentage implementation / compliance with the fire Brigade Act	percentage	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
		Monitor compliance with Pauper Burial policy	Percentage compliance with the Pauper Burial Policy	percentage	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per the checklist.		Not required
IDP / SDBIP 124	To ensure effective, compliant and credible financial planning, management and reporting by 2016 and beyond	MFMA Compliance	Percentage compliance to the MFMA	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Development of the 2016 - 2017 SDBIP	Turnaround time (in days) for approval of the 2016/2017 SDBIP after approval of the budget	days	28		n/a	28	28	Achieved, SDBIP approved with turnaround time		Not required
IDP / SDBIP 132		Budget Management	Number of Sec 71 reports submitted to the standing committee	number	12		n/a	12	12	Achieved, Reports submitted to STANCO		Not required
IDP / SDBIP 133			Number of Sec 72 reports submitted to the standing committee	number	1		n/a	1	1	Achieved, Reports submitted to STANCO		Not required
IDP / SDBIP 134			Turnaround time (in working days) for submission of Sec 71 report to provincial and national treasury	Days	10		n/a	10	10	Achieved, Reports submitted to Treasury		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 135			Date by which the Sec 72 report are submitted to provincial and national treasury	Date	25-Jan		n/a	25-Jan	25-Jan	Achieved, Reports submitted within deadline		Not required
		System Administration	Turnaround time(in hours) to resolve MUNSOFT related queries	hours	48		n/a	48	48	Achieved, MUNSOFT queries resolved within turnaround time		Not required
	To ensure compliant, efficient and transparent Supply Chain Management processes	Procurement Planning and implementation	Number of SCM Reports on implementation of Procurement Plan	number	4		n/a	4	4	Achieved, 4 Quarterly SCM reports on Implementation of the Procurement Plan		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	by 2016 and beyond									prepared.		
	To ensure compliant, efficient and transparent Supply Chain Management processes by 2016 and beyond		Developed Institutional Procurement Plan approved by MM - Yes/No	number	Yes	Procurement in place	n/a	Yes	Yes	Achieved, Institutional Procurement plan approved		Not required
IDP / SDBIP 137		Compliance to MFMA and SCM Policy	Percentage compliance to MFMA	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
IDP / SDBIP 138			Percentage compliance to SCM Policy	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										the checklist.		
		Effective and efficient Bid Processing	Turnaround time (in working days) to finalise Bid processing (Quotation)	Days	14		n/a	14	14	Achieved, Bid Quotation processing finalised within 14 days		Not required
IDP / SDBIP 139			Turnaround time (in working days) to finalize Bid processing	Days	90		n/a	90	90	Achieved, Bids finalised within 90 days		Not required
IDP / SDBIP 140		Monitor Irregular Expenditure	Percentage of irregular Expenditure		0%			0%	0%	Achieved, irregular expenditure at 0%		Not required
			Number of Monthly SCM Reports submitted to Standing Committee on irregular		12			12	12	Achieved , 12 monthly SCM reports on irregular expenditure prepared.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			expenditure									
		Conduct Assets Management Awareness	Number of Asset Management Awareness workshops conducted		2			2	2	Achieved, Workshop conducted		Not required
		Maintenance of the a GRAP compliance register	Turnaround time (in days) for barcoding of new assets		2			2	2	Achieved, Assets Barcoded within 2 days		Not required
			Number of Assets verification conducted		4			4	4	Achieved, 4 Asset verifications conducted		Not required
			Number of Asset reconciliations prepared		12			12	12	Achieved, Asset recons prepared		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 171	To ensure availability of funds for implementation of prioritised service delivery projects by 2016 and beyond	Preparation and submission of business plan	Number of business plans submitted to potential funders		1			1	1	Achieved, Business plans submitted		Not required
IDP / SDBIP 143	To increase total municipal own revenue base by 10% by 2016	Maintain accurate billing data on Refuse collection and Property Rates	Number of monthly report submitted to standing committee		12			12	12	Achieved , 12 monthly reports on Revenue management		Not required
IDP / SDBIP 144			Percentage accuracy of billing data on Refuse collection and property rates.	percent	95%		n/a	95%	95%	Achieved, Billing data accurate		Not required
		Implementation of supplementary	Percentage Implementation of supplementary	percent	100%		n/a	100%	100%	Achieved, Supplementary role implemented		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		valuation roll	valuation roll							100%		
IDP / SDBIP 145		Collection of billed revenue	Percentage collection of billed customers		9%			9%	9%	Achieved, 9% of Billed customers collected		Not required
IDP / SDBIP 146		Reduction of the Debtors Book	Percentage reduction of Debtors book		13%			13%	13%	Achieved, Debtors reduced by 13%		Not required
IDP / SDBIP 148		Revenue Enhancement Strategy	Number of quarterly progress reports on implementation of the revenue enhancement plan		4			4	4	Achieved, 4 Quarterly reports on Revenue enhancement plan.		Not required
IDP / SDBIP 149			Percentage increase in own revenue		2.5%			2.5%	2.5%	Achieved, Own revenue increased by 2.5%		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		MFMA Compliance	Percentage compliance to MFMA	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
			Percentage compliance to MPRA	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
		Management of Indigent Register	Reviewal of the indigent register	number	Yes	Register in place	n/a	Yes	Yes	Achieved, Policy reviewed		Not required
IDP / SDBIP 151		Conduct Awareness campaigns on Credit control and Debt collection (ward 16 and Ibisi)	Number of awareness campaigns conducted on Credit control and Debt collection (ward 16 and Ibisi)		2			2	2	Achieved, Awareness campaigns conducted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Number of Debtors reconciliation report submitted		12			12	12	Achieved, Recons submitted to STANCO		Not required
			Number of Suspense Account reconciliation report submitted		12			12	12	Achieved, suspense accounts submitted to STANCO		Not required
		Reconciliations	Number of Rates reconciliation report submitted		12			12	12	Achieved, Recon prepared and submitted to STANCO		Not required
			Number of Consumer deposits reconciliation report submitted		12			12	12	Achieved, Recon prepared and submitted to STANCO		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Number of Traffic Revenue reconciliation report submitted		12			12	12	Achieved, Recon prepared and submitted to STANCO		Not required
IDP / SDBIP 152		Reconciliations of the general valuation to the rates billing	Number of reconciliations of the general valuation to the rates billing		12			12	12	Achieved, Recon prepared and submitted to STANCO		Not required
IDP / SDBIP 154	To manage municipal financial resources in a way that will ensure financial sustainability by 2016 and beyond	Perform a monthly review of the general ledger	Percentage accuracy of the general ledger and trial balance	percent	100%		n/a	100%	100%	Achieved, GL 100% accurate		Not required
IDP / SDBIP 155		Implementation of the DORA allocation formula	Percentage compliance to the DORA allocation formula	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 156		Preparation and Submission of credible Annual Financial Statements	Date by which AFS are submitted to AG, COGTA and National treasury		31-Aug			31-Aug	31-Aug	Achieved, AFS submitted to COGTA & AG		Not required
IDP / SDBIP 157			Unqualified Audit Opinion without matters - Yes/No		Yes			Yes	Yes	NOT Achieved , 2014/15 unqualified audit opinion WITH matters		Not required
IDP / SDBIP 158		Monthly financial statements	Number of Monthly Financial Statement prepared		12			12	12	Achieved, Monthly Financial statements prepared		Not required
		Financial Controls	Percentage compliance to Financial controls	percent	100%		n/a	100%	100%	Achieved, 100% with financial controls		Not required
		Submission of Budget variance report	Number of quarterly Budget Variance reports submitted to		4			4	4	Achieved , 4 Quarterly reports on Budget variance prepared and		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			the audit committee							submitted to the Audit committee.		
	To manage municipal financial resources in a way that will ensure financial stability by 2016 and beyond	Maintain an accurate grant and retention register	Percentage accuracy of the grant register	percent	100%		n/a	100%	100%	Achieved, Grant register 100% accurate		Not required
			Percentage accuracy of the retention register	percent	100%		n/a	100%	100%	Achieved, Register 100% accurate		Not required
IDP / SDBIP 160			Number of Grant reconciliations performed		12			12	12	Achieved, Recons prepared and submitted to STANCO		Not required
IDP / SDBIP 161		Creditors Payments	Turnaround time (in days) for payment of creditors (from date of receipt	days	30			30	30	Achieved, Creditors paid within 30 days		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			of invoice)									
IDP / SDBIP 162		MFMA and Expenditure Policy Compliance	Percentage compliance to MFMA	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
IDP / SDBIP 163			Percentage compliance to Expenditure Policy	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the policy as per the checklist.		Not required
		Monitor Payroll Processes	Percentage compliance with Payroll processes procedures	percent	100%		n/a	100%	100%	Achieved, 100% compliance with Payroll processes		Not required
			Date by which salaries are paid	Date	25th			25th	25th	Achieved, Salaries paid on the 25 th of every month		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Percentage compliance with Exit/Termination procedures	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
		Monitor grants and project actual expenditure against the budget	Percentage accuracy of project reconciliations for payment	percent	100%		n/a	100%	100%	Achieved, Project recons 100% accurate		Not required
		Effective, credible and compliant financial management	Percentage accuracy of the Investment register	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
IDP / SDBIP 164			Number of Investment Reconciliations prepared		12			12	12	Achieved, 12 Investment recons prepared and submitted to		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										STANCO		
		Prepare Bank and Expenditure Reconciliations	Number of Expenditure Reconciliations prepared		12			12	12	Achieved, Recon prepared and submitted to STANCO		Not required
IDP / SDBIP 166			Number of monthly bank reconciliations prepared		12			12	12	Achieved, Recon prepared and submitted to STANCO		Not required
		Cash Flow Management	Ratio of monthly expenditure to cash available	Ratio	1.3			1.3	1.3	Achieved, Expenditure to Cash ration ratio maintained at 1.3		Not required
IDP / SDBIP 141	To ensure compliant, efficient and transparent Supply Chain Manageme	Implementation of the departmental procurement plan	Percentage Implementation of the departmental procurement plan per pp target	percent	100%		n/a	100%	100%	Achieved, Procurement plan implemented 100%		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	nt processes by 2016 and beyond											
IDP/SD BIP 171	To ensure availability of funds for implementation of prioritised service delivery projects by 2016 and beyond.	Preparation and Submission of Business Plan	Number of Business Plans submitted to potential Funders		1			1	1	Achieved, Business submitted to funders		Not required
IDP/SD BIP 153	To ensure provision of compliant and	Traffic contribution towards Municipal Own	Rand value/ Amount of revenue contribution to		R180,000			R180,000	R180,000	Achieved, Traffic contribution to own		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	efficient traffic services and road safety by 2016 and beyond	revenue	total Municipal Own revenue							municipal Revenue		
IDP/SD BIP 150	To increase total municipal own revenue base by 10% by 2016	Hiring of Community Halls	Percentage contribution to total own municipal revenue		8%			8%	8%	Achieved, Hall hire contribution achieved		Not required
IDP/SD BIP 141	To ensure compliant efficient and transparent Supply Chain Management by 2016 and beyond	Implementation of the departmental procurement plan	Percentage implementation of the departmental procurement plan per pp target	percent	100%		n/a	100%	100%	Achieved, Procurement plan implemented 100%		Not required
IDP/SD BIP 65	To ensure mainstreaming of the special programme	Effective implementation of the Special Programmes	Number of SPU(Youth and disability) proposals Submitted to		1			1	1	Achieved, Proposal submitted to potential		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	s in the municipal business activities by 2016 and beyond		potential Funders							funders		
SDBIP 35	To facilitate a 3% growth increase in the local economy by 2016 and beyond.	Prepare and submit 2 LED business plans to potential funders	2 Business plans submitted to potential funders	number	2	n/a	n/a	2	2	Achieved, 2 Business plans submitted to potential funders		Not required
SDBIP 36		Submission of Tourism business plans to potential Funders	Number of Tourism business plans submitted to potential Funders	number	1	n/a	n/a	1	1	Achieved, Business plan submitted to potential funders		Not required
SDBIP 47	To ensure that developmen	Implementation of the Strategic Environmental Management	Number of valued sites disposed	number	35	n/a	n/a	35	35	Not Achieved, Sites not disposed		



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	t is in line with the spatial requirements and applicable legislation by 2016 and beyond	Plan										
MUNICIPAL TRANSFORMATION INSTITUTIONAL & DEVELOPMENT												
IAS 01	To ensure provision of effective and compliant assurance services by 2016 and beyond	Development and implementation of the 201-2017 Audit Plan	Risk-based plan approved by the Audit Committee	number	Yes	Risk plan in place	n/a	Yes	Yes	Achieved, Risk plans approved		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Percentage implementation of the risk based audit plan	percent	100%	100%	n/a	100%	100%	Achieved, Risk plans implemented 100%		Not required
IAS 02			Number of internal audit monthly report submitted to standing committee		12	12		12	12	Achieved , 12 monthly reports on Internal Audit management		Not required
			Number of internal audit quarterly report submitted to audit committee		4	4		4	4	Achieved , 4 Quarterly Internal audit reports submitted to the Audit committee.		Not required
IAS 03		Monitor implementation of the AG Action plans	Number of reports on implementation of audit action plan submitted to the standing committee		2			2	2	Achieved , 2 reports on implementation of Audit Action plans.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IAS 04		Co-ordinate MPAC Sitzings	Number of MPAC sittings co-ordinated		8			8	8	Achieved, MPAC meetings coordinated		Not required
IAS 05		Reviewal of the Internal Audit governance documents	Reviewed internal audit policy approved by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, IA policy reviewed and approved by Council		Not required
IAS 06			Reviewed internal audit Charter approved by audit committee - Yes/No	number	Yes	Charter in place	n/a	Yes	Yes	Achieved, IA charter approved by Council		Not required
IAS 07		Effective Audit Committee	Number of audit committee seating's co-ordinated		4			4	4	Achieved, 4 Audit comm meetings coordinated		Not required
IAS 08			Number of audit committee report tabled at council meeting		4			4	4	Achieved, 4 Quarterly Audit committee reports submitted to		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										Council.		
IAS 09		Effective reporting and accountability	Number of reports submitted to standing committee on Internal Audit Services management		12			12	12	Achieved, 12 monthly reports on Internal Audit services submitted to STANCO		Not required
RM 01	To ensure that risks threatening organisational objectives are managed to an acceptable level by 2016 and beyond	Reviewal of the Risk management Policy	Reviewed Risk Management Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Policy adopted		Not required
RM 02	To ensure that risks threatening organisational objectives		Number of Risk management monthly report submitted to standing		12			12	12	Achieved, 12 monthly reports on Risk		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	are managed to an acceptable level by 2016 and beyond		committee							management		
		Monitor compliance with Legislation	Number of reports submitted to the standing committee on compliance with legislation		12			12	12	Achieved, 12 monthly reports on Compliance with Legislation.		Not required
		Effective reporting and accountability	Number of reports submitted to the standing committee on Risk Management, management		12			12	12	Achieved, 12 monthly reports on Risk management services		Not required
	To develop an organisational architecture, business	Reviewal of the contract management policy	Reviewed contracts management policy adopted by council -	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Policy adopted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	processes and policies, which will enable the Municipality to fulfil its constitutional and legislative mandates		Yes/No									
CM 01	To develop an organisational architecture, business processes and policies, which will enable the Municipality to fulfil its constitutional and legislative mandates	Effective contracts management Function	Percentage up to date of the contracts register	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Percentage implementation of the contracts management policy	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
CM 05			Percentage of awards (per appointment letters) with signed SLA/Contracts	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
CM 06			Turnaround time (in working days) for signing of contracts from date of appointment	Number	19		n/a	19	19	Achieved, Contracts signed within 19 days		Not required
CM 07			Number of monthly reports submitted to the standing committee on the performance of the service	number	12		n/a	12	12	Achieved, 12 monthly reports on the Performance of service providers.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			providers									
		Effective reporting and accountability	Number of reports submitted to the standing committee on Contracts Management		12			12	12	Achieved, 12 monthly reports on Contracts management services.		Not required
IDP/SD BIP 211	To develop systems to facilitate co-operative governance and inter government al relations especially with the District, other spheres of government and service providers to maximise the developmen	Reviewal of Public Participation Policy adopted by council	Reviewed Public Participation Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	t impact within ULM											
COM 14	To ensure effective, efficient and economical systems of communication and marketing of the municipality by 2016 and beyond	Reviewal of the Events Management Policy Adopted by council	Reviewed Events Management policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, 100% compliance with the regulations as per the checklist.		Not required
		Reviewal of the Marketing and Communications Plan	Reviewed Marketing and Communications Plan approved by MM - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, 100% compliance with the regulations as per the checklist.		Not required
MAE 10	To ensure effective and compliant management	Reviewal of the Monitoring and Evaluation/ PMS	Reviewed Monitoring and Evaluation/ PMS Framework	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Framework reviewed & adopted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	t of municipal performance against the IDP by 2016 and beyond	Framework	adopted by council - Yes/No									
MAE 12		Co-ordinate PMS Cascading workshops	Number of PMS cascading workshops co-ordinated		2			2	2	Achieved, workshop on Cascading conducted		Not required
	To ensure effective, efficient and compliant administrative and conducive	Monitor compliance with fleet management policy and procedures	Percentage compliance with fleet management policy and procedures	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	work environment by 2016 and beyond											
		Maintenance and repairs of fleet	Turnaround time (in days) for repairs		30			30	30	Achieved, repairs done within the Turnaround time		Not required
		Reviewal of Fleet Management Plan	Fleet Management Plan reviewed	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, policy reviewed		Not required
		Effective reporting and accountability	Number of reports submitted to standing committee on fleet management		12			12	12	Achieved , 12 monthly reports on Fleet management services.		Not required
	To ensure effective, efficient and compliant administrative and	Effective management and safeguarding of municipal records	Incoming and out going mail reflecting on register book - Yes/No		Yes			Yes	Yes	Achieved, Mail reflecting on register		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	conducive work environment by 2016 and beyond											
IDP / SDBIP 180		Submission of quarterly registry progress report to provincial archives	Number of reports submitted to provincial archives		4			4	4	Achieved, Reports submitted to Provincial archives		Not required
IDP / SDBIP 181			Number of days for submission of reports to provincial archives		10			10	10	Achieved, Reports submitted to Provincial archives		Not required
		Reviewal of Registry Plan	Registry Plan reviewed	number	Yes	Registry plan in place	n/a	Yes	Yes	Achieved, Registry plan reviewed		Not required
IDP / SDBIP 182	To ensure provision of effective and compliant human	Cascading of PMS to levels below section 56 by 2013	Number of employees (below section 56) with signed performance		Yes			Yes	Yes	Achieved, All performance agreements were signed		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	resources support services in line with the IDP by 2016 and beyond		agreements									
		Monitor cascading of PMS down to levels below section 56 by other departments	Number of reports prepared on cascading of PMS		4			4	4	Achieved, 4 Quarterly reports on the Cascading of the PMS		Not required
IDP / SDBIP 183		Filling of vacant and budgeted posts in the approved organogram	Percentage of vacant and budgeted posts filled	percent	100%		n/a	100%	100%	Achieved, Budgeted posts filled		Not required
			Percentage compliance with recruitment selections	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 184			Turnaround time(in days) for filling of vacant and budgeted post		70			70	70	Achieved, Turnaround time met		Not required
IDP / SDBIP 185		Monitor compliance with the collective agreement, leave policy and procedures	Percentage compliance with the collective agreement, leave policy and procedures	percent	100%		n/a	100%	100%	Achieved , 100% compliance with the regulations as per the checklist.		Not required
		Reconciliation of leave information on VIP system.	Number of monthly leave reports submitted to standing committee		12		n/a	12	12	Achieved , 12 monthly reports on Leave management		Not required
			Number of days for submission of reconciliation reports		7		n/a	7	7	Achieved, Recons submitted		Not required
		Coordinate development of leave plan	Number of reports on submission of departmental		4		n/a	4	4	Achieved , 4 Quarterly reports on Submission of		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			leave plans.							leave plans.		
			Number of days for submission of leave plans by HOD		10		n/a	10	10	Achieved, Leave plans submitted by HODs		Not required
		Capturing of payroll inputs	Date by which payroll inputs are captured		15		n/a	15	15	Achieved, Payroll captured on the 15 th of each month		Not required
		Management of personal files	Percentage accuracy of information in personal files	percent	100%		n/a	100%	100%	Achieved, Personal files information accurate		Not required
		Monitor Staff attendance	Number of reports prepared on staff attendance		12		n/a	12	12	Achieved , 12 monthly reports on Staff attendance		Not required
		Induction of new employees	Number of days for induction of new employees from date of		1		n/a	1	1	Achieved, new employees inducted within 1 day		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			appointment							from date of appointment		
		Development, submission and implementation of the WSP	Number of reports prepared on skills audit.		1		n/a	1	1	Achieved, Skills report prepared		Not required
IDP / SDBIP 186		Effective training and development of staff	Approved WSP adopted by council -Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, WSP adopted		Not required
IDP / SDBIP 187			WSP submitted to LGSETA - Yes/No		Yes		n/a	Yes	Yes	Achieved, WSP submitted		Not required
IDP / SDBIP 188			Percentage implementation of WSP per approved budget	percent	90%		n/a	90%	90%	Achieved, WSP implemented		Not required
IDP / SDBIP 189		Conduct employee workshops on collective agreements and internal	Number of workshops conducted on collective agreements		2		n/a	2	2	Achieved, workshops conducted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		policies.										
		Effective functioning of the job description writing committee	Number of sittings of the job description writing committee		12		n/a	12	12	Achieved, meetings conducted		Not required
IDP / SDBIP 190		Reviewal of existing corporate services policies	All existing policies reviewed and approved by council - Yes/No	number	Yes	Policies in place	n/a	Yes	Yes	Achieved, Existing policies reviewed		Not required
		Implementation of the approved EEP	Number of reports prepared on EEP achievement status		4			4	4	Achieved , 4 Quarterly reports on Employment Equity Plan.		Not required
IDP / SDBIP 191		Effective labour relations	Number of sittings of LLF co-ordinated		4			4	4	Achieved, LLF sittings coordinated		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Implementation of the internship and experiential programme	Number of interns maintained throughout the year		10			10	10	Achieved, 10 interns maintained		Not required
			Number of learners enrolled for the experiential programme		3		n/a	3	3	Achieved, Learners enrolled		Not required
		Effective and compliant OHS processes	Number of OHS representatives appointed		6		n/a	6	6	Achieved, OHS representatives appointed		Not required
IDP / SDBIP 192			Number of sittings of OHS committee		4		n/a	4	4	Achieved, OHS committee sittings conducted		Not required
			Number of OHS inspections conducted		4		n/a	4	4	Achieved, OHS inspections conducted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			Number of community members who (youth) attended the skills programme		10		n/a	10	10	Achieved, Skills programme attended		Not required
IDP / SDBIP 193		Study Assistance/ Bursaries	Number of employees assisted throughout the year		29		n/a	29	29	Achieved, 29 Bursaries offered		Not required
			Number of reports prepared on study assistance afforded to staff		4		n/a	4	4	Achieved, 4 Quarterly reports on Study assistance prepared		Not required
IDP / SDBIP 194		Implementation of councillor's training	Number of councillor training implemented		4		n/a	4	4	Achieved, Councillor training implemented		Not required
		Implementation of the employee wellness policy	Number of reports prepared on EAP intervention afforded per		4		n/a	4	4	Achieved, 4 Quarterly reports on EAP intervention.		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			identified case									
		Monitor performance of the service providers.	Number of service provider reports prepared and submitted		12		n/a	12	12	Achieved, 12 monthly reports on Service providers prepared and submitted.		Not required
IDP / SDBIP 195		Review of Human Resource Management Plan	Human Resource Management Plan reviewed - Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, HR plan reviewed		Not required
	To ensure effective, efficient and compliant administrative and conducive work environment by 2016 and beyond	Review of Council Support Plan	Council Support Plan adopted by council - Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, Support plan adopted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	To ensure provision of effective, efficient and economical compliant Information Communication Technology services commensurate to the business of the municipality by 2014	Reviewal of the ICT steering committee terms of reference	ICT steering committee terms of reference Approved by council - Yes/No	number	Yes	TR in place	n/a	Yes	Yes	Achieved, ICT com terms of reference approved		Not required
		Reviewal of the user access security	Number of reports prepared on reviewal of user access security		2		n/a	2	2	Achieved, 12 monthly reports on Reviewal of user access security		Not required
IDP / SDBIP 96		Reviewal of Master Systems Plan	MSP approved by council - Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, MSP approved		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Reviewal of ITC Plan	ITC Plan adopted by council -Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, ITC Plan adopted		Not required
IDP / SDBIP 127	To ensure effective, compliant and credible financial planning, management and reporting by 2016 and beyond	Preparation of the Budget	Date by which the 2016-2017 budget is approved by council		30-May			30-May	30-May	Achieved, Budget approved		Not required
IDP / SDBIP 128			Turnaround time (in days) for submission of the approved budget (COGTA, Provincial and National Treasury) after approval by council	days	10			10	10	Achieved, Turnaround time met		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 129			Date by which the Adjustment Budget is adopted by council	Date	28 Feb			28 Feb	28 Feb	Achieved, Adjustment budget adopted		Not required
IDP / SDBIP 213		Reviewal of Budget Policy	Reviewed Budget Policy adopted by council - Yes/No	number	Yes	Policies in place	n/a	Yes	Yes	Achieved, Budget policy adopted		Not required
IDP / SDBIP 130		Implementation of DORA	Percentage compliance to the DORA allocation formula	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
IDP / SDBIP 131		Submission of Grant Business Plans	Number of Grant business plans submitted		2			2	2	Achieved, Business plans submitted		Not required
		Preparation of Budget Process Plan	Date by which Budget Process Plan is approved by council	Date	31 Aug			31 Aug	31 Aug	Achieved, Budget plan approved		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP / SDBIP 147	To increase total municipal own revenue base by 10% by 2016	Revenue Enhancement Strategy	Revenue Enhancement Strategy implementation plan adopted by council - Yes/No	number	Yes	Strategy in place	n/a	Yes	Yes	Achieved, Revenue Enhancement strategy adopted		Not required
	To increase total municipal own revenue base by 10% by 2016	Management of Indigent Register	Number of trainings of Ward Committee on the indigent policy		2			2	2	Achieved, Ward committees trained		Not required
IDP / SDBIP 178	To increase total municipal own revenue base by 10% by 2016	Reviewal of the Revenue Management Policy	Reviewed Revenue Management Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Revenue policies adopted		Not required
IDP / SDBIP 159	To manage municipal financial resources in a way that will ensure financial	Reviewal of the Accounting Services Policy	Reviewed Accounting Services Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Accounting policies adopted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	sustainability by 2016 and beyond											
	To manage municipal financial resources in a way that will ensure financial stability by 2016 and beyond	Reviewal of the Expenditure Policy	Reviewed Expenditure Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Expenditure policy adopted		Not required
IDP / SDBIP 212	To ensure compliant, efficient and transparent Supply Chain Management processes by 2016 and beyond	Reviewal of the SCM Policy	Reviewed SCM Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, SCM policy adopted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 203	To ensure provision of compliant and efficient traffic services and road safety by 2016 and beyond	Develop a Community Safety Strategy for UMzimkhulu	Community Safety Strategy adopted by council - Yes/No	number	Yes	Strategy in place	n/a	Yes	Yes	Achieved, Safety strategy adopted		Not required
	To ensure provision of accessible, economical and compliant library services by 2016 and beyond	Reviewal of the library procedure manual	Reviewed library procedure manual adopted by council	number	Yes	Manual in place	n/a	Yes	Yes	Achieved, Procedure manual adopted		Not required
IDP/SD BIP 204		Reviewal of Library Policy adopted by council	Reviewed Library Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Library policy adopted		Not required
IDP/SD BIP 206	To ensure effective and efficient	Reviewal of the HIV/AIDS Strategy	Reviewed HIV/AIDS Strategy adopted by	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Strategy adopted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	HIV/AIDS management by 2016 and beyond		council - Yes/No									
IDP/SD BIP 207		Training of Councillors and Amakhosi on HIV/AIDS	Number of Councilors and Amakhosi HIV/AIDS training sessions held	number	1		n/a	1	1	Achieved, Councilors/A makhosi trained		Not required
IDP/SD BIP 208	To ensure mainstreaming of the special programmes in the municipal business activities by 2016 and beyond	Reviewal of Sport Strategy	Reviewed Sport Strategy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Sport strategy adopted		Not required
IDP/SD BIP 205	To ensure effective, compliant and efficient disaster management	Reviewal of Disaster Management policy	Reviewed Disaster Management Policy adopted by council - Yes/No	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Policy adopted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	t services by 2016 and beyond											
		Conduct Training of Fire Fighters	Number of Fire Fighters trained	number	2			2	2	Achieved, Fire fighters trained		Not required
IDP/SD BIP 201	To promote and preserve indigenous languages (i.e. isiXhosa and isiZulu) by 2016 and beyond	Reviewal of the Arts, Culture and Heritage strategy	Reviewed Arts, Culture and Heritage strategy adopted by council	number	Yes	Strategy in place	n/a	Yes	Yes	Achieved, Arts & Culture strategy adopted		Not required
IDP/SD BIP 202		Reviewal of the Arts, Culture and Heritage Policy	Reviewed Arts, Culture and Heritage Policy adopted by council	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Arts & Culture policy adopted		Not required
IDP/SD BIP 209	To alleviate poverty by 5% by 2016 (strengthening the Sukuma-Sakhe	Reviewal of the Poverty Alleviation Strategy	Reviewed Poverty Alleviation Strategy adopted by council	number	Yes	Strategy in place	n/a	Yes	Yes	Achieved, Strategy reviewed & adopted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	Flagship program)											
IDP/SD BIP 93	To ensure that development is in line with the spatial requirements and applicable legislation by 2016 and beyond	Reviewal of the Spatial Development Framework	Reviewed Spatial Development Framework adopted by council (Yes/No)	number	Spatial Development Framework adopted by council	Spatial Development Framework	n/a	Spatial Development Framework adopted by council	Spatial Development Framework adopted by council	Achieved, SDF adopted		Not required
SDBIP 59		Reviewal of Planning and Housing policies	Reviewed Planning and Housing policies adopted by council (Yes/No)	number	Planning and Housing policies adopted	Planning and Housing policies	n/a	Planning and Housing policies adopted	Planning and Housing policies adopted	Achieved, Policies adopted		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		Provide training on implementation of outdoor advertising to building inspectors and Protection Services	Number of building inspectors and protection service staff trained	number	6			6	6	Achieved, Staff trained		Not required
SDBIP 61	To provide decent and sustainable human settlement (housing) by 2014 and beyond.	Reviewal of the Housing Sector Plan	Reviewed Housing Sector Plan adopted by council	number	Housing Sector Plan adopted by council	Housing Sector Plan	n/a	Housing Sector Plan adopted by council	Housing Sector Plan adopted by council	Achieved, Sector plan adopted		Not required
SDBIP 62	To facilitate a 3% growth increase in the local economy by 2016 and beyond.	Facilitate development of Informal Traders by -law	Number of quarterly progress reports on development of Informal Traders by -law	number	4	4	n/a	4	4	Achieved, 4 Quarterly progress reports on Development of Informal Traders by-laws		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 69		Development of uMzimkhulu marketing Strategy	UMzimkhulu marketing Strategy adopted by council (Yes/No)	number	Yes	Strategy in place	n/a	Yes	Yes	Achieved, Strategy adopted		Not required
SDBIP 67	To ensure provision of sustainable public facilities by 2017 and beyond	Reviewal of the Public Facilities Management plan	Reviewed Public facilities management adopted by council	number	Yes	Policy in place	n/a	Yes	Yes	Achieved, Public facilities plan adopted		Not required
SDBIP 68	Provision of sustainable road infrastructure and network by 2016 and beyond	Transfer of Skills by service provider	Number of reports on Transfer of Skills		12		n/a	Yes	Yes	Achieved , 12 monthly reports on Transfer of skills		Not required



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					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 21	Provision of sustainable road infrastructure and network by 2016 and beyond	Transfer of infrastructure assets to BTO	Turnaround time in days by which completed assets are transferred to BTO	Days	7			7	7	Achieved, turnaround time met		Not required
SDBIP 70	To ensure effective, efficient and compliant environmental management by 2016 and beyond	Procurement of Refuse Truck and Tractor	Refuse Truck and Tractor procured - Yes/No		Yes		n/a	Yes	Procurement of 1x TLB in Q2, and a Service Provider for the procurement of a Refuse Truck appointed in Q4 - Yes/No	Achieved,		Not required
IDP/SD BIP 39		Implementation of the Integrated Waste Management	Percentage implementation of Integrated Waste Management	percent	100%		n/a	100%	100%	Achieved, 100% compliance with the regulations as per the		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
										checklist.		
		Training of Waste Management Staff	Number of Waste Management staff trained	number	4			4	4	Achieved, Waste unit staff trained		Not required
		Provision of SABS Approved protective clothing to I & E workers	Number of I & E workers receiving protective clothing.	number	54			54	54	Achieved, Protective clothing purchased		Not required
SDBIP 24		Reviewal of the annual waste management maintenance plan	Waste management maintenance plan approved by council - Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, Waste plan approved		Not required
SDBIP 73	To provide access to sustainable electricity by 2016 and beyond	Reviewal of the Electricity plan	Reviewed Electricity Plan adopted by council	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, Electricity plan adopted		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 74	To provide sustainable public facilities by 2017 (5% annual reduction of backlogs in relation to public facilities by 2016)	Reviewal of Public Facilities plan	Reviewed Public Facilities plan adopted by council	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, Plan adopted by Council		Not required
SDBIP 75	To ensure integration of the communities in development programmes by 2016 and beyond	Conduct OHSE workshops for Community Liaison Officers	Number of OHSE trainings conducted.	number	1			1	1	Achieved, Training conducted		Not required
IDP/SD BIP 214	Provision to sustainable road infrastructure to	Reviewal of all Infrastructure policies.	Reviewed Infrastructure policies adopted by council - Yes/No	number	Yes	Policies in place	n/a	Yes	Yes	Achieved, Policies adopted by Council		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	uMzimkhulu community by 2017											
SDBIP 77	To provide sustainable public facilities by 2017 (5% annual reduction of backlogs in relation to public facilities by 2016)	Reviewal of Social Facilitation plan	Reviewed Social Facilitation plan adopted by council - Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, Plan adopted by Council		Not required
SDBIP 39		Reviewal of the Road Maintenance Plan	Reviewed Road plan adopted by council - Yes/No	number	Yes	Plan in place	n/a	Yes	Yes	Achieved, Road plan approved		Not required
LOCAL ECONOMIC DEVELOPMENT												



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 39	To facilitate a 3% growth increase in the local economy by 2016 and beyond.	Implementation of the Tourism Strategy & Plan	Percentage implementation of the Tourism Strategy per annual plan	percentage	100%	Tourism strategy & plan	n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
SDBIP 40		Monitor functionality of Integrated Sustainable Rural Development Plan projects (Intsikeneni eco-tourism development project, Kwa Fodo Cultural village, Umganu integrated development project and Umzimkhulu Gateway	Number of Quarterly reports on functionality of ISRDP	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on Functionality of ISRDP		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		tourism development centre)										
SDBIP 41		Co-ordinate Tourism Awareness campaigns	Number of Tourism Awareness campaigns conducted per Tourism plan	number	1	n/a	n/a	1	1	Achieved, Awareness campaign conducted		Not required
SDBIP 42		Co-ordinate Tourism events	Number of Tourism events (aloe and tourism month) conducted per plan	number	1	n/a	n/a	1	1	Achieved, Events conducted		Not required
SDBIP 43		Management of the Tourism Information Centre	Number of quarterly reports on functionality of the Tourism Information Centre (with key features of functionality)	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on functionality of the Tourism Information Centre		Not required
SDBIP 44		Conduct Agricultural awareness	Number of Agricultural awareness	number	4	4	n/a	4	4	Achieved, 4 Agricultural awareness		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		campaigns at targeted schools/ward per plan	campaigns conducted at targeted schools/ward per plan							campaigns conducted.		
SDBIP 45		Co-ordinate the uMzimkhulu business forum meetings	Number of uMzimkhulu business forum meetings co-ordinated	number	1	1	n/a	1	1	Achieved, meeting coordinated		Not required
SDBIP 46		Update the SMME's and Co-ops database with new SMME's and Co-ops	Number of reports on new SMME's and Co-ops registrations and renewals on the SMMEs and Coops database	number	4	4	n/a	4	4	Achieved , 4 Quarterly reports on new SMME's and Co-ops registrations and renewal.		Not required
SDBIP 47		Conduct a skills audit of SMME's and Co-ops on the database	Number of SMME's and Co-ops Skills Audit Report reported	number	4	4	n/a	4	4	Achieved , 4 quarterly reports on SMME's and Co-ops skills audit.		Not required
SDBIP		Facilitate development of	Number of informal traders	number	2	n/a	n/a	2	2	Achieved, workshop		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
48		Informal Traders by -law	workshop co-ordinated							coordinated		
SDBIP 50			Number of informal traders provided with trading stalls/tables	number	10	n/a	n/a	10	10	Achieved, Informal traders provided with Tables		Not required
SDBIP 51			Number of informal traders provided with renewed trading licences	number	150	n/a	n/a	150	150	Achieved, Informal traders provided with renewed licenses		Not required
IDP/SD BIP 100		Implementation of the agricultural plan	Number of quarterly reports on implementation of agricultural plan milestones	number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on Implementation of the Agricultural plan		Not required
SDBIP 52		Monitor effective operation of LED projects funded by the municipality	Number of reports submitted to the standing committee on functioning of LED project	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Functionality of LED funded programs.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
			funded by the municipality									
SDBIP 53		Conduct Small, Medium and Micro Enterprise and co-op training workshops	Number of Small, Medium and Micro Enterprise and co-op training workshops conducted	number	1	1	n/a	1	1	Achieved, co op training conducted		Not required
SDBIP 54		Issuing of business licences	Turnaround time(in Days)in receiving and issuing of business licence in line with the business act	days	28	28	n/a	28	28	Achieved. Turnaround time met		Not required
SDBIP 55			Number of reports submitted to Standing committee on issued business licences	number	12	12	n/a	12	12	Achieved, 12 monthly reports on Issued business licences.		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
SDBIP 56			Percentage compliance with business licence	Percentage	100%	100%	n/a	100%	100%	Achieved, 100% compliance with the regulations as per the checklist.		Not required
SDBIP 57			Number of LED business plans submitted to potential Funders	number	1	1	n/a	1	1	Achieved, Business plans submitted		Not required
IDP/SD BIP 101		Implementation of the LED Strategy	Number of quarterly reports on implementation of the LED strategy (key milestones per annual plan)	Number	4	4	n/a	4	4	Achieved, 4 Quarterly reports on Implementation of the LED strategy.		Not required
IDP/SD BIP 103		Create jobs through LED projects	Number of jobs created through LED projects	number	10	n/a	n/a	10	10	Achieved, LED jobs created		Not required
SDBIP 58		Mentoring of Co-ops	Number of Co-ops mentored	number	3	n/a	n/a	3	3	Achieved, Co ops mentored		Not required



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IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
IDP/SD BIP 104		Co-ordinate an LED Indaba	Number of LED Indaba co-ordinated	number	1	1	n/a	1	1	Achieved, Indaba coordinated		Not required
SDBIP 63	To ensure integration of the communities in development programmes by 2016 and beyond	Implementation of the OHSE policy	Number of OHSE compliance audit conducted	number	96		n/a	96	96	Achieved, Compliance audit conducted		Not required
SDBIP 64	Implementation of projects using Expanded Public Works Programme guidelines/ methods	Creation of Jobs through EPWP	Number of jobs created through the Expanded Public Work Programme	number	177		n/a	177	177	Achieved, Jobs created		Not required
SDBIP 65		Co-ordinate sittings of the EPWP	Number of sittings of the EPWP	number	4		n/a	4	4	Achieved, meetings		Not required



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UMZIMKHULU LOCAL MUNICIPALITY												
IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
		committee	committee							attended		
IDP/SD BIP 37	To ensure effective, efficient and compliant environmental management by 2016 and beyond	Implementation of the Food For Waste Programme (COGTA)	Number of beneficiaries maintained on the Food For Waste Programme	number	100		n/a	100	100	Achieved, beneficiaries maintained		Not required
SDBIP 23		Monitor implementation of the community work programme	Number of beneficiaries maintained on the community work programme	number	1000		n/a	1000	1000	Achieved, beneficiaries maintained		Not required
	To continuously promote moral regulation and upholding	Co-ordinate Crafters exhibitions	Number of Crafter exhibitions co-ordinated	number	4			4	4	Achieved, Craft exhibitions attended		Not required



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UMZIMKHULU LOCAL MUNICIPALITY												
IDP Ref NO.	Strategic Objective	Measurable Objective (Output)	Performance Measure	Unit of Measure	2014/2015 Financial year			2015/2016 Financial year				Corrective Actions
					Demand	Baseline	Backlog	Target	Revised	Actual	Rating	
	of indigenous societal values and standards within Umzimkhulu community											
	To alleviate poverty by 5% by 2016 (strengthening the Sukuma-Sakhe Flagship program)	Attendance of EPWP meetings	Number of EPWP meetings attended upon invitation	number	4			4	4	Achieved, meetings attended		Not required



PERFORMANCE OF SERVICE PROVIDERS DURING THE 2015/2016 FINANCIAL YEAR

Figure 31: Performance of service providers



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NAME OF SERVICE PROVIDER	DATE OF ADVERT	BRIEFING DATE	CLOSING DATE	PROJECT MANAGER	DATE AWARDED	value Amount Project	Duration	Comments / Assessment
SODIZA TRADING	30/04/2015	10/03/2015	12/05/2015	DWEBA	08/07/2015	R 75 716.00	14 DAYS	Good service
SAKCON TRADING & CONSTRUCTION	14/03/2015	10/03/2015	27/03/2015	DWEBA	24/07/2015	R 796 035.44	3 MONTHS	Good service
MKHATSHWA SURVEYS	21/05/2015	26/05/2015	29/05/2015	DWEBA	24/07/2015	R 3 590 437.83	12 MONTHS	Good service
NZINGWE CONSULTING	22/06/2015	24/06/2015	01/07/2015	DWEBA	30/07/2015	R 153 615.00	21 DAYS	Good service
VERITAS ENGINEERING AND PROJECT	16/06/2015	24/06/2015	03/07/2015	DWEBA	30/07/2015	R 2 436 750.00	3 MONTHS	Good service
SIVEST SA	22/06/2015	24/06/2015	13/08/2015	DWEBA	13/08/2015	R 31 459.50	6 MONTHS	Good service



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EYEKHAYA CIVILS	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 166 730.00	4 MONTHS	Good service
AMANZI AHLOBOLE TRADING 73	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 185 580.00	4 MONTHS	Good service
AMAJOLI TRADING	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 170 000.00	4 MONTHS	Good service
NGQONGQOSHE CONSTRUCTION	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 185 710.00	4 MONTHS	Good service
MAFUKWANA CIVILS	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 175 550.00	4 MONTHS	Good service
BURNING ISSUES GENERAL	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 165 235.43	4 MONTHS	Good service
NGQONGQOSHE CONSTRUCTION	01/07/2015	06/07/2015	10/07/2015	DWEBA	01/10/2015	R 180 616.70	4 MONTHS	Good service



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MZAMOMHLE PROJECTS	01/07/2015	08/07/2015	24/07/2015	DWEBA	02/10/2015	R 463 616.18	4 MONTHS	Good service
A1 ELECTRICAL			28/09/2015	DWEBA	02/10/2015	R 1 945 404.19		Good service
AMANZI AHLOBOLE TRADING 73	24/07/2015	29/07/2015	04/08/2015	DWEBA	12/10/2015	R 106 315.00	2 MONTHS	Good service
BABCOCK AFRICA SERVICES	14/08/2015	21/08/2015	04/09/2015	DWEBA	13/10/2015	R 2 903 008.13	1 MONTH	Good service
AQUA TRANSPORT AND PLANT HIRE	14/08/2015	20/08/2015	04/09/2015	DWEBA	30/10/2015	R 6 338.40	3 MONTHS	Good service
EKENE INVESTMENTS	14/08/2015	20/08/2015	04/09/2015	DWEBA	30/10/2015	R 3 960.00	3 MONTHS	Good service
EKENE INVESTMENTS	14/08/2015	20/08/2015	04/09/2015	DWEBA	30/10/2015	R 4 734.00	3 MONTHS	Good service
AQUA TRANSPORT AND PLANT HIRE	14/08/2015	20/08/2015	04/09/2015	DWEBA	30/10/2015	R 3 511.20	3 MONTHS	Good service



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VERITAS ENGINEERING AND PROJECT	24/07/2015	04/08/2015	28/08/2015	DWEBA	30/10/2015	R 41 809.26	24 MONTHS	Ongoing
BABCOCK AFRICA SERVICES	11/09/2015	18/09/2015	02/10/2015	DWEBA	30/11/2015	R 1 214 443.74	30 DAYS	Good service
MDZURITOS CATERING & PROJECTS	27/11/2015	02/12/2015	08/12/2015	DWEBA	29/01/2016	R 149 695.15	3 MONTHS	Good service
MZAMOMHLE PROJECTS	25/11/2015	02/12/2015	18/12/2015	DWEBA	16/02/2016	R 453 398.00	4 MONTHS	Good service
FADA FADA INVESTMENTS	25/11/2015	02/12/2015	18/12/2015	DWEBA	16/02/2016	R 316 041.14	3 MONTHS	Good service
MZOVUYO TRADING	26/10/2015	02/11/2015	13/11/2015	DWEBA	16/02/2016	R 5 310.00	12 MONTHS	Ongoing
SN JOLA ENTERPRISE	25/11/2015	02/12/2015	18/12/2015	DWEBA	16/02/2016	R 382 000.00	1 MONTH	Good service
NKEB'S TRADING ENTERPRISE	14/01/2016	19/01/2016	25/01/2016	DWEBA	17/02/2016	R 106 337.00	1 MONTH	Good service



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KDMM CATERING & PROJECTS	14/01/2016	19/01/2015	25/01/2016	DWEBA	17/02/2016	R 83 842.60	14 days	Good service
TOWER CITY TRADING 193 CC	26/10/2015	02/11/2015	13/11/2015	DWEBA	23/02/2016	R 438 905.23	12 MONTHS	Ongoing
XOLISISIZWE TRADING JV AMATHUBA KA MTHWANE	14/01/2016	25/01/2016	12/02/2016	DWEBA	23/03/2016	R 688 800.00	36 MONTHS	Ongoing
BUYEYE CONSULTING	04/03/2016	14/03/2016	08/04/2016	DWEBA	29/04/2016	R 14 525 018.05	10 MONTHS	Ongoing
MOBAARAK MANAGEMENT	19/02/2016	26/02/2016	11/03/2016	DWEBA	14/06/2016	R 842 136.00	6 MONTHS	Ongoing
CAKATHA AFRICA TRADING JV QHUBEKELA PHAMBILI	04/04/2016	11/04/2016	22/04/2016	DWEBA	30/06/2016	R 2 512 455.96	4 MONTHS	Ongoing
AMABOMBO TRADING CC	04/04/2016	11/04/2016	22/04/2016	DWEBA	30/06/2016	R 4 080 875.58	6 MONTHS	Ongoing
LETHOKUHLE INVESTMENTS CC	04/04/2016	11/04/2016	22/04/2016	DWEBA	30/06/2016	R 4 561 610.59	5 MONTHS	Ongoing
SILETHOKUHLE CONSULTING CC	04/04/2016	11/04/2016	22/04/2016	DWEBA	30/06/2016	R 2 520 657.88	4 MONTHS	Ongoing



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B & B TRANSPORT & PLANT HIRE	04/04/2016	11/04/2016	22/04/2016	DWEBE	30/06/2016	R 3 877 102.15	5 MONTHS	Ongoing
QHUBEKELA PHAMBILI DEVELOPMENT & TRADING	04/04/2016	11/04/2016	22/04/2016	DWEBE	30/06/2016	R 2 298 877.94	4 MONTHS	Ongoing
NASHUA PIETERMARITZBURG	07/04/2015		15/04/2015	Mbalo	08/07/2015	R 50 007.24	14 DAYS	Good service
SOUTHERN AMBITION	19/08/2015		27/08/2015	MBALO	02/09/2015	R 70 000.00	2 DAYS	Good service
BUHLEBEZWE TRADING (PTY) LTD	25/08/2015		03/09/2015	MBALO	12/10/2015	R 140 000.00	14 DAYS	Average service
ALWAZI CATERING	13/08/2015		24/08/2015	MBALO	12/10/2015	R 137 973.00	14 DAYS	Average service
NKEB'S TRADING	07/10/2015	12/10/2015	16/10/2015	MBALO	02/11/2015	R 104 763.10	2 WEEKS	Good service
GIWU'S FUNERAL SERVICES	02/09/2015	04/09/2015	09/10/2015	MBALO	15/12/2015	R 1 500.00	36 MONTHS	Good service
AMATHUBA KA MTHWANE CONSTRUCTION	26/01/2015	29/10/2015	04/11/2015	MBALO	29/01/2016	R 43 089.00	30 DAYS	Good service



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SODIZA TRADING	14/01/2016	19/01/2016	25/01/2016	MBALO	17/02/2016	R 94 856.00	1 MONTH	Good service
MOLVINA AND LYDIA LEGACY (PTY) LTD	09/03/2016		15/03/2016	MBALO	17/03/2016	R 33 250.00	2 DAYS	Good service
MOLVINA AND LYDIA LEGACY (PTY) LTD	09/03/2016	11/03/2016	15/03/2016	MBALO	17/03/2016	R 96 890.00	2 DAYS	Poor service
FANA MANUFACTURIN G	27/05/2016	31/05/2016	01/06/2016	MBALO	01/06/2016	R 199 272.00	7 DAYS	Good service
RISING YOUTH SUPPLIERS	07/08/2015		14/08/2015	NGCEMU	12/10/2015	R 55 922.00	14 DAYS	Good service
NASHUA PIETERMARITZBU RG	13/08/2015	20/08/2015	04/09/2015	NGCEMU	30/10/2010	R 27 712.86	6 MONTHS	Ongoing
MFS CHARTERED ACCOUNTANTS	26/10/2015	29/10/2015	04/11/2015	NGCEMU	24/11/2015	R 196 857.50	2 DAYS	Ongoing
MORAR INCORPORATED	12/02/2016	19/02/2016	04/03/2016	NGCEMU	04/03/2016	R 118 080.00	6 MONTHS	Ongoing
DEBT MANAGER (PTY) LTD	31/03/2016	06/05/2016	06/05/2016	NGCEMU	06/05/2016	R 6 093 366.75	4MONTHS	Ongoing
NKOSILEGACY (PTY) LTD	10/06/2015	15/06/2015	22/06/2015	TYEKELA	20/07/2015	R 56 405.00	14 DAYS	Good service



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NKOSILEGACY(PTY) LTD	21/08/2015	27/08/2015	01/09/2015	TYEKELA	12/01/2015	R 89 449.00	14 DAYS	Good service
GABHISA PLANNING	25/08/2015	28/08/2015	11/09/2015	TYEKELA	30/10/2015	R 421 800.00	1 YEAR	Good service
NXUMALO AND ASSOCIATES LAND SURVEYORS	09/10/2015	16/10/2015	30/10/2015	TYEKELA	25/02/2016	R 48 500.00	2 YEARS	Ongoing
VUYANI MASENTI TRADING	06/05/2016	11/05/2016	17/05/2016	TYEKELA	17/05/2016	R 91 526.00	14 DAYS	Good service
POWER RUSH TRADING	30/04/2015	07/05/2015	22/05/2015	SIKHOSANA	08/07/2015	R 45 200.00	2 DAYS	Good service
DARK OR BLUE MARKETING	02/09/2015	04/09/2015	11/09/2015	SIKHOSANA	12/10/2015	R 180 000.00	2 MONTHS	Good service
O'KAMAL (PTY) LTD	24/08/2015		02/09/2015	SIKHOSANA	12/10/2015	R 21 562.50	14 DAYS	Good service
KGOLO BUSINESS TRUST T/A G=KGOLO INSTITUTE	29/02/2016	03/03/2016	09/03/2016	MLENGANA	24/03/2016	R 184 680.00	2 DAYS	Good service
MORAR INCORPORATED	10/05/2016	13/05/2016	13/05/2016	SIBIYA	13/05/2016	R 96 720.00	3 WEEKS	Good service
VIRTUALIZE (PTY) LTD	30/04/2015	08/05/2015	22/05/2015	NDUKU	20/07/2015	R 116 533.08	14 DAYS	Good service



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VIRTUALIZE (PTY) LTD	30/04/2015	08/05/2015	22/05/2015	NDUKU	20/07/2015	R 43 473.36	14 DAYS	Good service
ALLENBY HOUSING	30/04/2015	08/05/2015	22/05/2015	NDUKU	20/07/2015	R 150 594.00	14 DAYS	Good service
THE DOCUMENT WAREHOUSE	16/06/2015	24/06/2015	14/08/2015	NDUKU	14/08/2015	R 44 113.44	36 MONTHS	ON GOING
IMOTOMEDIA	16/06/2015	24/06/2015	03/07/2015	NDUKU	08/09/2015	R 8 070 561.00	2 MONTHS	Good service
GIYA TRADING 5 CC	24/07/2015	04/08/2015	28/08/2015	NDUKU	13/10/2015	R 1 325 994.00	24 MONTHS	ON GOING
BRIGHT PICTURES PRODUCTION	16/06/2015	24/06/2015	03/07/2015	NDUKU	13/10/2015	R 7 010.00	24 MONTHS	ON GOING
KSA SECURITY	01/07/2015	09/07/2015	31/07/2015	NDUKU	13/10/2015	R 7 745 584.87	24 MONTHS	ON GOING
IT CAREERS (PTY) LTD	07/10/2015	12/10/2015	16/10/2015	NDUKU	02/11/2015	R 40 000.00	5 DAYS	Good service
ITNA (PTY) LTD	07/10/2015	14/10/2015	30/10/2015	NDUKU	15/12/2015	R 228 217.60	1 YEAR	Good service
NKQUBELA COMMUNITY DEVELOPERS	26/01/2015	27/10/2015	04/11/2015	NDUKU	29/02/2016	R 153 672.00	30DAYS	Good service
NASHUA PIETERMARITZBURG	25/11/2015	03/12/2015	08/01/2016	NDUKU	23/03/2016	R 1 822 835.76	36 MONTHS	ON GOING



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VODACOM (PTY) LTD	02/09/2015	09/09/2015	09/10/2015	NDUKU	09/10/2015	RATES	36 MONTHS	ON GOING



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Component A: Introduction to the Municipal Workforce

4.1 Employee totals, Turnover and Vacancies

Figure 32: Employee Totals

Employee Totals and Vacancies					
Department	2014/15	2015/16			
	No. of Employees	No. of Approved Posts	No. of Employees	No. of Vacancies	Vacancies %
Council & Executive	40	40	40	0	0
Finance	20	20	20	0	
Office of the Municipal Manager	11	11	11	0	0
Community Services	38	41	38	3	
Infrastructure	52	53	52	1	
Planning, Housing and LED	11	11	11	01	
Corporate Services	35	35	35	0	
Totals* Permanent Staff	167	171	167	5	



Statistical information for human resources as at 30 June 2016 employment equity

Figure 33: Employment Equity

Target Group	Employment Equity Per Race and Gender	Employment Equity Per Disabilities	Top Management Per Race and Gender
African Female			4
African Male		3	
Coloured Female			
Coloured Male	2		0
Indian Female	0		0
Indian Male			
White Female	0		0
White Male	1		0
Total (Inclusive of Councillors)	3	3	4



Component B: Breakdown of Workforce Levels

Figure 34: Workforce Levels

Position/ Category	No. Of Staff	Permanent/ Contract	Gender		Race		
			M	F	A	W	C
Municipal Manager	1	Contract	1	0	1	0	0
S56 Managers	8	Contract	6	2	7	1	0
Supervisors	25	Permanent	15	10	25	0	0
Other	84	Permanent	41	41	0	0	2
Total	118	Permanent	63	53	33	1	2

4.2 HR Policies and Plans

Figure 35: HR Policies

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Affirmative Action	x	x	2016/04/29
2	Attraction and Retention	x	x	2016/04/29
3	Basic Conditions of Employment	x	X	2016/04/29
4	Benefits policy	x	X	2016/04/29
5	Code of Conduct for Employees	X		2016/04/29
6	Delegations, Authorisation & Responsibility	X		2016/04/29
7	Disciplinary Code	X		2016/04/29
8	Employment Equity Policy	X		2016/04/29
9	Exit policy	X		2016/04/29
10	Grievance Procedures	X		2016/04/29
11	HIV/Aids	X		2016/04/29
12	Human Resource Development	x	X	2016/04/29
13	Information Technology	x	X	2016/04/29
14	Job Evaluation	X		2016/04/29
15	Leave	x	X	2016/04/29
16	Occupational Health and Safety	x	X	2016/04/29



HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
17	Official Housing			2016/04/29
18	Official Journeys			2016/04/29
19	Official Transport to attend Funerals			2016/04/29
20	Official Working Hours and Overtime			2016/04/29
21	Organisational Rights			2016/04/29
22	Payroll Deductions			2016/04/29
23	Performance Management and Development			2016/04/29
24	Recruitment, Selection and Appointments	x		2016/04/29
25	Remuneration Scales and Allowances			2016/04/29
26	Resettlement			2016/04/29
27	Sexual Harassment			2016/04/29
28	Skills Development and Training	x		2016/04/29
29	Smoking			2016/04/29
30	Special Skills			2016/04/29
31	Work Organisation			2016/04/29
32	Uniforms and Protective Clothing			2016/04/29
33	Other:			2016/04/29
	Fraud and Prevention Plan			2016/04/29
	Human Resource Succession Plan			2016/04/29
	Risk Management Policy			2016/04/29
	Cell phone Policy			2016/04/29



Component C: Capacitating the Municipal Workforce

In line with S68 (1) of MSA 2000, UMzimkhulu has implemented skills development programmes that will enable the human resource capacity to perform their functions and exercise their powers in an economical, effective, efficient and accountable manner.

4.3 Skills Development and Training

Figure 36: Skills Development and Training

Skills Matrix														
Management Level	Gender	Employees in posts as at 30 June 2016	Number of skilled employees required and actual as at 30 June 2016											
		No.	Learnerships			Skills Programmes & other short courses			Other forms of training			Total		
			Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target
MM and s57	Female	7	0	0	0	7	7	7	7	7	7	14	14	14
	Male	3	0	0	0	3	3	3	3	3	3	6	6	6
Councillors, senior officials and managers	Female	21	0	0	0	21	21	21	21	21	21	42	42	41
	Male	25	0	0	0	25	25	25	25	25	25	50	50	52



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Skills Matrix														
Management Level	Gender	Employees in posts as at 30 June 2016	Number of skilled employees required and actual as at 30 June 2016											
			Learnerships			Skills Programmes & other short courses			Other forms of training			Total		
		No.	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target	Actual: End Of 14/15	Actual: End of 15/16	2015/ 2016 Target
Technicians and associate professionals	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	8	0	0	0	0	0	0	0	0	8	0	0	0
Professionals	Female	4	0	0	0	4	4	4	4	4	4	8	8	8
	Male	11	0	0	0	7	6	6	7	8	6	14	14	12
Other	Female	37	0	0	0	20	19	17	20	21	17	41	40	34
	Male	42	0	0	0	21	18	16	19	17	16	40	35	32
Sub Total	Female	69	0	0	0	52	51	49	28	29	17	53	33	34
	Male	89	0	0	0	108	51	50	37	44	30	73	60	60
Total		158	0	0	0	160	102	99	65	73	47	126	93	94



Component D: Managing the Municipal Workforce Expenditure.

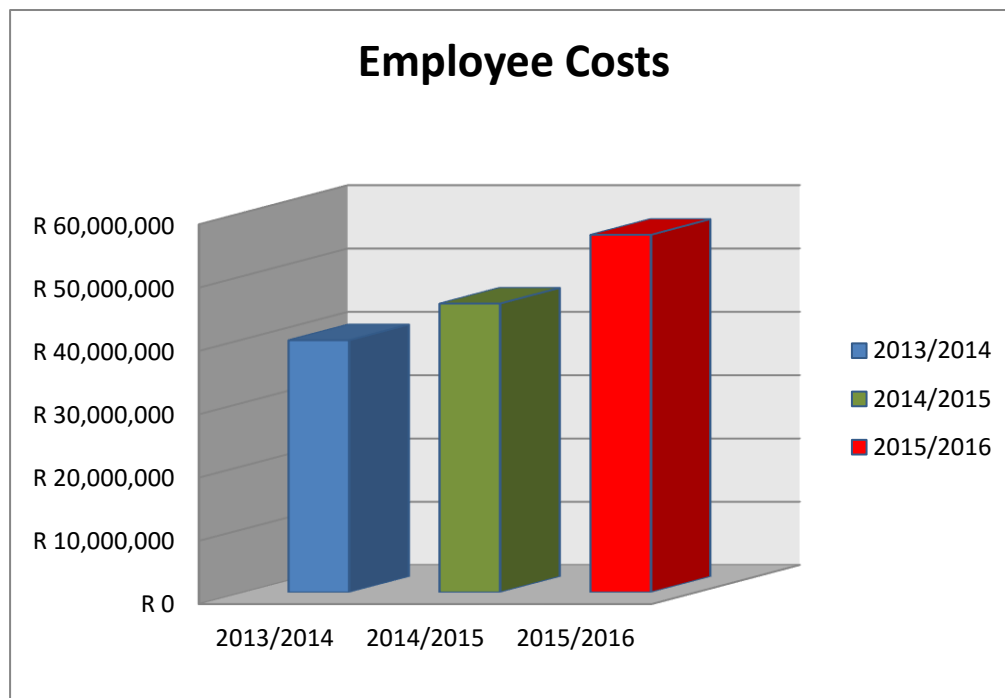
4.4 Employee Expenditure

Employee expenditure over the period of three years

Figure 37: Employee Expenditure

Financial Years	Employee Costs
2013/2014	R 39 849 435
2014/2015	R 45 635 878
2016/2017	R 56 491 710

Figure 38: Employee Costs





CHAPTER 5: FINANCIAL PERFORMANCE

This chapter provides an overview of the financial performance of the municipality. It is divided into the following sections:

- 5.1. Section A: Statement of Financial Performance**
- 5.2. Section B: Spending against Capital Budget**
- 5.3. Section C: Cash Flow Management and Investment**
- 5.4. Section D: Other Financial Matters**



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Please refer to the attached audited Annual Financial Statements



CHAPTER: 6 AUDITOR- GENERAL AUDIT FINDINGS

This chapter provides an overview of Auditor-General's Report on the audit of 2015/2016 financial year.

Please note: this section will be completed after the finalisation of the 2015/2016 financial year Audit..



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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan	Set out municipal goals and development plans.



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National Key performance areas	<ul style="list-style-type: none">• Service delivery & infrastructure• Economic development• Municipal transformation and institutional development• Financial viability and management• Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.



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Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>



Umzimkhulu Local Municipality
Financial statements
for the year ended 30 June 2016

Umzimkhulu Local Municipality

(Registration number KZN435)

Financial Statements for the year ended 30 June 2016

General Information

Legal form of entity	Local Municipality
Members of the Council	
Mayor	Cllr M B Mpabanga
Deputy Mayor	Cllr S Nkala
Speaker	Cllr K E Thobela
Chief whip	Cllr X Tshazi
Members of the executive committee	Cllr M Swaartbooi
Members of the executive committee	Cllr S Ngcongo
Members of the executive committee	Cllr B Lukakayi
Members of the executive committee	Cllr M Dzanibe
Members of the executive committee	Cllr B Cira
Members of the executive committee	Cllr F Nene
Accounting Officer	Mr Z.S Sikhosana
Chief Finance Officer (CFO)	Mrs T.J Ngcemu
Grading of local authority	3
Attorneys	Matthew Francis
Bankers	First National Bank
Registered office	169 Main Street Umzimkhulu 3297
Business address	169 Main Street Umzimkhulu 3297
Postal address	P O Box 53 Umzimkhulu 3297
Telephone number	039 259 5000
Fax number	039 259 0427
Email address	info@umzimkhululm.gov.za

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Financial Statements for the year ended 30 June 2016

Index

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

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Approval of Financial Statements	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Appropriation Statement	8 - 10
Summary of Significant Accounting Policies	13 - 37
Notes to the Financial Statements	38 - 64

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

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Financial Statements for the year ended 30 June 2016

Approval of Financial Statements

I am responsible for the preparation of these financial statements, which are set out on pages 4 to 67 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 26 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr Z S Sikhosana
Municipal Manager

Umzimkhulu Local Municipality

(Registration number KZN435)

Financial Statements for the year ended 30 June 2016

Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Current Assets			
Cash and cash equivalents	2	111,745,164	94,283,017
Receivables from exchange transactions	3	820,571	29,122
Receivables from non-exchange transactions	4	419,450	354,600
Other receivables from exchange and non exchange transactions	5	4,072,360	2,729,722
VAT receivable	6	2,495,265	4,384,199
		119,552,810	101,780,660
Non-Current Assets			
Investment property	7	31,254,830	31,284,997
Property, plant and equipment	8	466,496,633	432,313,148
Intangible assets	9	643,079	320,632
Heritage assets	10	255,000	180,000
		498,649,542	464,098,777
Total Assets		618,202,352	565,879,437
Liabilities			
Current Liabilities			
Payables from exchange transactions	11	14,949,823	11,483,058
Unspent conditional grants and receipts	12	18,528,807	20,167,507
Other financial liabilities	13	-	10,000,000
		33,478,630	41,650,565
Non-Current Liabilities			
Employee benefit obligation	14	1,730,875	1,137,074
Provisions	15	2,424,318	2,238,107
		4,155,193	3,375,181
Total Liabilities		37,633,823	45,025,746
Net Assets		580,568,529	520,853,691
Reserves			
Housing operating account	16	18,189,784	22,569,566
Accumulated surplus	17	562,378,745	498,284,119
Total Net Assets		580,568,529	520,853,685

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Revenue			
Revenue from exchange transactions			
Interest received (trading)		217,224	216,896
Interest received - investment	18	5,888,714	3,993,108
Investment Property Rentals	19	1,216,825	1,120,209
Service charges	20	829,509	765,216
Other Revenue	21	3,134,461	3,168,348
Total revenue from exchange transactions		11,286,733	9,263,777
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	7,296,892	6,539,146
Transfer revenue			
Government grants & subsidies	23	233,536,545	194,111,730
Fines, Penalties and Forfeits		1,017,630	1,039,450
Learners and licences		664,206	644,748
Motor vehicle registration and licences		368,384	309,557
Total revenue from non-exchange transactions		242,883,657	202,644,631
Total revenue	24	254,170,390	211,908,408
Expenditure			
Employee related costs	25	(58,798,175)	(48,268,526)
Remuneration of councillors	26	(14,467,129)	(13,675,661)
Debt Impairment	27	(869,015)	(7,965,538)
Depreciation and amortisation	28	(42,052,319)	(35,014,224)
Impairment loss/ Reversal of impairments	29	(26,100)	(6,054,985)
Interest costs	30	(995,601)	(899,752)
Lease rentals on operating lease		(599,740)	(489,510)
Repairs and maintenance		(10,901,240)	(6,739,018)
General Expenses	31	(45,325,246)	(40,053,253)
Total expenditure		(174,034,565)	(159,160,467)
Operating surplus	32	80,135,825	52,747,941
loss on disposal of assets/ Transfer to Eskom		(16,041,202)	(14,164,789)
Surplus for the year		64,094,623	38,583,152

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Financial Statements for the year ended 30 June 2016

Statement of Changes in Net Assets

Figures in Rand	Housing operating account	Accumulated surplus	Total net assets
Balance at 01 July 2014	22,389,178	459,700,967	482,090,145
Changes in net assets			
Surplus for the year	-	38,583,152	38,583,152
Interest on Housing Operating account	180,388	-	180,388
Total changes	180,388	38,583,152	38,763,540
Opening balance as previously reported	22,569,566	497,283,102	519,852,668
Adjustments			
Correction of prior period errors	-	1,001,020	1,001,020
Balance at 01 July 2015 as restated*	22,569,566	498,284,122	520,853,688
Changes in net assets			
Interest on Housing Operating account	(4,379,782)	-	(4,379,782)
Net income (losses) recognised directly in net assets	(4,379,782)	-	(4,379,782)
Surplus for the year	-	64,094,623	64,094,623
Total recognised income and expenses for the year	(4,379,782)	64,094,623	59,714,841
Total changes	(4,379,782)	64,094,623	59,714,841
Balance at 30 June 2016	18,189,784	562,378,745	580,568,529
Note(s)	16		

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Receipts			
Receipts from ratepayers and other services		14,435,134	14,688,048
Government Grants and subsidies		231,897,845	205,313,130
Interest income		5,888,714	3,993,108
		<u>252,221,693</u>	<u>223,994,286</u>
Payments			
Employee costs		(73,265,304)	(61,944,187)
Suppliers and other payments		(41,588,131)	(48,590,934)
Interest charges		(995,601)	-
		<u>(115,849,036)</u>	<u>(110,535,121)</u>
Net cash flows from operating activities	33	<u>136,372,657</u>	<u>113,459,165</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(92,367,165)	(80,692,515)
Proceeds from sale of property, plant and equipment	8	(16,041,202)	-
Purchase of other intangible assets	9	(502,143)	(311,979)
Net cash flows from investing activities		<u>(108,910,510)</u>	<u>(81,004,494)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(10,000,000)	10,000,000
Net cash flows from financing activities		<u>(10,000,000)</u>	<u>10,000,000</u>
Net increase/(decrease) in cash and cash equivalents		17,462,147	42,454,671
Cash and cash equivalents at the beginning of the year		94,283,017	51,828,346
Cash and cash equivalents at the end of the year	2	<u>111,745,164</u>	<u>94,283,017</u>

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2016											
Financial Performance											
Property rates	7,922,020	2,457,818	10,379,838	-		10,379,838	7,296,892		(3,082,946)	70 %	92 %
Service charges	786,048	43,642	829,690	-		829,690	829,509		(181)	100 %	106 %
Investment revenue	3,887,186	1,644,916	5,532,102	-		5,532,102	5,888,714		356,612	106 %	151 %
Transfers recognised - operational	178,247,000	(20,000,000)	158,247,000	-		158,247,000	158,247,120		120	100 %	89 %
Other own revenue	5,109,105	1,247,567	6,356,672	-		6,356,672	6,618,730		262,058	104 %	130 %
Total revenue (excluding capital transfers and contributions)	195,951,359	(14,606,057)	181,345,302	-		181,345,302	178,880,965		(2,464,337)	99 %	91 %
Employee costs	(52,931,927)	(6,481,208)	(59,413,135)	-	-	(59,413,135)	(58,798,175)	-	614,960	99 %	111 %
Remuneration of councillors	(14,967,745)	169,343	(14,798,402)	-	-	(14,798,402)	(14,467,129)	-	331,273	98 %	97 %
Debt impairment	(62,952)	(2,437,048)	(2,500,000)			(2,500,000)	(869,015)	-	1,630,985	35 %	1,380 %
Depreciation and asset impairment	(36,965,196)	(2,871,479)	(39,836,675)			(39,836,675)	(42,078,419)	-	(2,241,744)	106 %	114 %
Finance charges	(900,000)	285,000	(615,000)	-	-	(615,000)	(995,601)	-	(380,601)	162 %	111 %
Other expenditure	(99,532,623)	26,595,794	(72,936,829)	-	-	(72,936,829)	(72,867,428)	-	69,401	100 %	73 %
Total expenditure	(205,360,443)	15,260,402	(190,100,041)	-	-	(190,100,041)	(190,075,767)	-	24,274	100 %	93 %
Surplus/(Deficit)	(9,409,084)	654,345	(8,754,739)	-		(8,754,739)	(11,194,802)		(2,440,063)	128 %	119 %

Umzimkhulu Local Municipality

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	40,299,000	27,999,660	68,298,660	-		68,298,660	66,298,660		(2,000,000)	97 %	165 %
Surplus (Deficit) after capital transfers and contributions	30,889,916	28,654,005	59,543,921	-		59,543,921	55,103,858		(4,440,063)	93 %	178 %
Surplus/(Deficit) for the year	30,889,916	28,654,005	59,543,921	-		59,543,921	55,103,858		(4,440,063)	93 %	178 %
Capital expenditure and funds sources											
Total capital expenditure	58,149,000	45,685,024	103,834,024	-		103,834,024	99,642,641		(4,191,383)	96 %	171 %
Sources of capital funds											
Transfers recognised - capital	40,299,000	27,999,660	68,298,660	-		68,298,660	66,298,660		(2,000,000)	97 %	165 %
Internally generated funds	17,850,000	17,685,144	35,535,144	-		35,535,144	34,047,637		(1,487,507)	96 %	191 %
Total sources of capital funds	58,149,000	45,684,804	103,833,804	-		103,833,804	100,346,297		(3,487,507)	97 %	173 %

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	75,009,696	29,352,876	104,362,572	-		104,362,572	136,372,657		32,010,085	131 %	182 %
Net cash from (used) investing	(58,748,880)	(45,085,144)	(103,834,024)	-		(103,834,024)	(108,910,510)		(5,076,486)	105 %	185 %
Net cash from (used) financing	-	-	-	-		-	(10,000,000)		(10,000,000)	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	16,260,816	(15,732,268)	528,548	-		528,548	17,462,147		16,933,599	3,304 %	107 %
Cash and cash equivalents at the beginning of the year	53,768,064	40,514,953	94,283,017	-		94,283,017	94,283,017		-	100 %	175 %
Cash and cash equivalents at year end	70,028,880	24,782,685	94,811,565	-		94,811,565	111,745,164		(16,933,599)	118 %	160 %

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Appropriation Statement

Figures in Rand

Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
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Variance explanations:

The budget is approved on an accrual basis nature of classification. The approved budget covers the period of 01 July 2015 to 30 June 2016.

Material variances on final budget compared to actual

Revenue

Property Rates - The decrease in the property rates is caused by the rebates that the municipality has provided in this financial year, reducing the property rates by R3 million to R7.2 million. refer to note 23 of the annual financial statements.

Services Charges - Due to change in the contract with St Magaret Hospital, that are not using their own vehicle to deliver the refuse.

Investment revenue – More interest was earned than participated during the year due improvement on our cash flow and investment with Ned bank.

Other Revenue – Other revenue inclusive of Rental facilities, dumping fees, Hall fees, skip waste, all these facilities has increased comparing to previous financial years, and Also Learners and licences and Motor vehicle registration and licences and has increased meaning the municipal income portion as per Department Of Transport regulations has increased.

Expenditure

Employee costs - variance was caused by the resignation of two contract employees in the middle of the financial year and not replace until June 2016. We do realised savings on this item.

Remuneration of councillors - the final budget for 2015-2016 increment was 6% then later the CPI for councillors was 5.5% approved.

Debt impairment – The budget was based on the debt impairment for previous financial year, the actual for 2016 is what the debt impairment increase by.

Depreciation and asset impairment – This is a result of access roads and community assets capitalised during the financial year which was not budgeted for in 2015-2016 depreciation.

Finance charges – Increase in finance charges is due to interest paid for Loan with DBSA.

Other expenditure – The over spending is a result of expensing electrification.

Capital Expenditure

Transfers recognised capital – The difference of R2 million is for small Town SMME which was not recognised due to tenders that were evaluated for compliance and none was found responsive.

Total capital expenditure – The unspent on capital expenditure is due to the following:

IT Software and Hardware bidders were not compliant with Supply Chain processes.

There was a termination of contract on Neighbourhood during the financial year.

Other expenditure the municipality realised savings than anticipated on the budget.

Internally generated funds:

Appropriation Statement

Figures in Rand

Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
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The unspent on Neighbourhood is due to the contractor that was appointed who did not deliver then the municipality terminated the contract.

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

1. Accounting policies

1.1 Basis of presentation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003). Additional text

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1.1 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impractical to determine the period-specific effects or cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Errors are corrected retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

The municipality changes an accounting policy only if the following instances:

- (a) is required by a Standard of GRAP; or
- (b) results in the annual financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the municipality's financial position, financial performance or cash flow.

These accounting policies are consistent with the previous period, except for the changes set out in note Changes in accounting policy.

1.2 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 Going concern assumption

These financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.5 Critical judgements, estimation and assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

. Critical judgements, estimation and assumptions (continued)

1.5.1 Revenue recognition

Accounting policy 1.18 on Revenue from exchange Transactions and accounting policy 1.19 on Revenue from non-exchange Transactions describes the conditions under which revenue will be recorded by the management on the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP9: Revenue from Exchange Transactions and GRAP 23: Revenue from non-exchange transactions. In particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.5.2 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. Accounting Policy 1.12.1 on Financial Assets Classification and on Financial Liabilities Classification describe the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments.

1.5.3 Impairment of financial assets

Accounting Policy 1.24 on Impairment of Financial Assets describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial instruments and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

1.5.4 Useful lives of property, plant and equipment, intangible assets and investment property

As described in Accounting Policies 1.7, 1.8 and 1.9 the municipality depreciates/ amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1.5.5 Budget information

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the annual financial statements.

Deviations between budget and actual amounts are regarded as material differences when a 5% deviation exists. All material differences are explained in an annexure separate from these annual financial statements.

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

. Critical judgements, estimation and assumptions (continued)

1.5.6 Impairment of property, plant and equipment and intangible assets

Accounting Policy 1.8.3 on PPE - Impairment of assets and Accounting Policy 1.9.3 on Intangible assets- Amortisation and impairment. Subsequent measurement describes the conditions under which non- financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to PPE impairment testing and intangible assets impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

1.5.7 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

1.5.8 Post Retirement Benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 14.

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

1.6 Standards, amendments to standards and interpretations issued

1.6.1 Standards and interpretations approved and effective:

GRAP 105: Transfers of functions between entities under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It requires an acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying the acquirer and transferor, Determining the transfer date, Assets acquired or transferred and liabilities assumed or relinquished, Accounting by the acquirer and transferor, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2015.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 106: Transfers of functions between entities not under common control

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2015.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2015.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

1.6.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2014 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing

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Summary of Significant Accounting Policies

Standards, amendments to standards and interpretations issued (continued)

performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

1.7 Investment property

1.7.1 Initial recognition

Investment property includes property (land or a building, or part of a building, or both land or buildings held under an operating lease held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

. Investment property (continued)

1.7.2 Subsequent measurement

Investment property is measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Investment property	30-50 years
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1.7.3 Derecognition

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.8 Property, plant and equipment

1.8.1 Initial recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

Property, plant and equipment (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

1.8.2 Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

1.8.3 Depreciation and impairment

Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual values.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	
• Land	Indefinite
Buildings	
• Buildings	30 - 50 years
Infrastructure	
• Dams	30 years
• Pedestrian malls	30 years
• Roads	10 - 30 years
Community	
• Buildings	30 - 50 years
• Recreational Facilities	20 - 30 years
• Security	5 - 10 years
Other property, plant and equipment	
• Other Vehicles	5 - 15 years
• Office equipment	3 - 12 years
• Furniture and fittings	7 - 12 years
• Specialist Vehicles	10 - 20 years
• Landfill site	15 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

1.8.4 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.8.5 Work in progress

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.8.6 Land

Land is not depreciated as it is deemed to have an indefinite useful life.

1.8.7 Infrastructure assets

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

1.9 Intangible assets

1.9.1 Initial recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

1.9.2 Subsequent measurement

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

1.9.3 Amortisation and impairment

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 - 5 years

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

. Intangible assets (continued)

1.9.4 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.10 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

- (a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
 - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- (b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- (c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.11 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

1.11.1 Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

1.11.2 Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

. Heritage assets (continued)

1.11.3 Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Heritage assets are not depreciated.

1.11.4 Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

1.11.5 Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

1.11.6 Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

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Summary of Significant Accounting Policies

Financial instruments (continued)

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

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Summary of Significant Accounting Policies

Financial instruments (continued)

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.12.1 Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Other receivables from exchange and non-exchange transactions	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

1.12.2 Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

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Summary of Significant Accounting Policies

. Financial instruments (continued)

1.12.3 Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

1.12.4 Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

1.12.5 Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

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Summary of Significant Accounting Policies

. Financial instruments (continued)

1.12.6 Derecognition

1.12.6.1 Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

1.12.6.2 Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

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Summary of Significant Accounting Policies

Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.12.7 Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.13 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 Provisions and contingencies

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

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Summary of Significant Accounting Policies

Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in municipality combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

1.17 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.17.1 Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.17.2 Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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Summary of Significant Accounting Policies

1.18 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered, the value of which approximates the consideration received or receivable.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue arising out of situations where the municipality acts as an agent on behalf of another municipality (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.18.1 Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of value added tax, trade discounts and volume rebates.

1.18.2 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.18.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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Summary of Significant Accounting Policies

. Revenue from exchange transactions (continued)

1.18.4 Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

1.19.1 Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

1.19.2 Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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Summary of Significant Accounting Policies

Revenue from non-exchange transactions (continued)

1.19.3 Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

1.19.4 Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

1.19.5 Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

1.19.6 Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

1.19.7 Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

1.19.8 Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.19.9 Services in-kind

Services in-kind are not recognised.

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Summary of Significant Accounting Policies

1.20 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.21 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

Investment income comprise of interest received on investments.

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.23 Employee benefits

1.23.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected costs of surplus sharing and bonus payments is recognised as expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.23.2 Retirement benefits

Whilst employees and councillors are employed by the municipality, the municipality contributes to their medical and pension funds. On termination, resignation or retirement of employees and councillors the municipality no longer contributes to the medical and pension funds on their behalf and thus there are no post-employment benefits.

1.23.3 Long service awards

Provision for long services awards represents the present value of the estimated future cash outflow to be made by the municipality resulting from employee services provided up to Statement of Financial Position date. The provision comprises of amounts that the Municipality has a present obligation to pay resulting for employees services provided up to Statement of Financial Position date. The Municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities.

The leave may wholly or partially converted into cash and or sick leave on the date on which the employees qualifies therefore or at any stages. On termination of service of an employee with ten (10) or more year's service, for reason of retirement, death, medical incapacity or retrenchment, leave shall be paid out to an employee on a pro rata basis. Any special leave accrued in this manner will become payable upon termination for whatever reason and not form part of vacation leave credit

Short-term employee benefits

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Summary of Significant Accounting Policies

. Employee benefits (continued)

1.23.4 Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

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Summary of Significant Accounting Policies

1.24 Impairment of assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

1.24.1 Impairment of cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

GRAP 26: Impairment of cash-generating assets - Cash-generating assets are those assets held by an group with the primary objective of generating a commercial return. An municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. The municipality estimated and found no material impact in the applicability of the standard.

1.24.2 Impairment of non-cash generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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Summary of Significant Accounting Policies

Impairment of assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow:
[Specify criteria]

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

GRAP 21: Impairment of Non-Cash generating assets – No material impact is expected. The requirements of GRAP are similar to the requirement of IAS 36 and IPSAS 2 Impairment of non-cash generating assets.

1.25 Value added tax

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Sec 15(2)(a) of the Value-Added Tax Act No 89 of 1991

1.27 Housing operating account

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.28 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant sections of the financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.29 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.30 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

. Segmental information (continued)

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.31 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 2015/07/01 to 2016/06/30.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.32 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Summary of Significant Accounting Policies

1.1 Internal reserves

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand 2016 2015

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	96	166
Bank balances	419,953	1,011,718
Short-term deposits	111,325,115	93,271,133
	111,745,164	94,283,017

The municipality's primary bank account is a public sector cheque account with First National Bank. The account is held at the Ixopo branch and the account number is 5255 573 0913.

Primary bank account details

Account number / description	Bank statement balances			Cash book balances		
	30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
FNB - Cheque Account- 52555730913	446,386	1,004,120	642,640	419,953	1,011,718	263,573
Cydesdale Housing- Project- FNB- 62331947418	9,492,856	10,434,622	10,317,496	9,492,856	10,434,622	10,341,092
Ext 5 & 6 Housing Project- FNB- 62023990907	490,122	1,280,346	1,259,970	490,122	1,280,346	1,262,928
Ibisi Housing Project- FNB- 62331935950	135,230	822,617	806,709	135,230	822,617	808,832
MIG Grant- FNB- 621239382055	7,859,921	300,245	2,000	7,859,921	300,245	2,000
MSIG- FNB- 62127055045	46,187	21,886	82,327	46,187	21,886	7,964
Neighbourhood Grant- FNB- 62174358525	6,381,217	10,861,977	700,434	6,381,215	10,861,977	700,433
Electricity- FNB- 62174363508	365,474	1,010	2,806,440	365,475	1,010	1,992,842
Riverside Housing Project- Phase1- FNB- 62023990593	506,422	693,675	679,528	506,422	693,675	681,357
Riverside Housing Project- Phase2- FNB- 62331950495	2,992,436	3,600,998	3,547,686	2,992,436	3,600,998	3,555,204
Ritvlei/ City Surv Account- FNB- 62123938104	873,354	841,162	788,654	873,354	841,162	791,024
Rural Housing Project- FNB- 62331949422	3,813,178	5,009,961	4,938,512	3,813,178	5,009,961	4,948,740
32 Days Acc- FNB- 62132172355	34,804,024	38,644,599	18,627,660	34,804,011	38,644,599	16,510,562
Ned Bank- 7165022759	26,896,082	-	-	26,896,082	-	-
Sport Facility Grant- FNB- 62125140129	1,133	1,122	1,111	1,132	1,122	1,111
Human Settlement Housing Operating Account- 62396633838	16,528,807	10,564,484	8,951,943	16,528,807	10,564,484	8,961,107
Small Town- FNB- 62396640396	126,235	4,950,921	3,095,830	126,235	4,950,921	885,708
Electrification Pledge- FNB- 62521187684	10,487	5,241,522	-	12,452	5,241,522	-
Total	111,769,551	94,275,267	57,248,940	111,745,068	94,282,865	51,714,477

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
3. Receivables from exchange transactions		
Other receivables	37,598	180,920
Provisions for other receivables	(37,598)	(180,920)
Prepayments	785,270	-
Operating lease receivables	35,301	29,122
	820,571	29,122
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(180,920)	(322,251)
Provision for impairment	-	(44,404)
Amounts written off as uncollectible	141,592	185,735
Payment received	1,730	-
	(37,598)	(180,920)
4. Receivables from non-exchange transactions		
Fines	860,946	444,646
Provision for Traffic Fines	(441,496)	(90,046)
Grant expenditure	-	6,319,286
provision for grant expenditure	-	(6,319,286)
	419,450	354,600
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(6,409,332)	-
Provision for traffic fines	(351,450)	(90,046)
Provision for grant expenditure	-	(6,319,286)
Amounts written off as uncollectible	6,319,286	-
	(441,496)	(6,409,332)
5. Receivables from exchange and non-exchange transactions		
Gross balances		
Rates and refuse	6,936,076	5,582,214
Less: Allowance for impairment		
Rates and refuse	(2,863,716)	(2,852,492)
Net balance		
Rates and refuse	4,072,360	2,729,722
Rates and refuse		
Current (0 -30 days)	706,121	357,440
31 - 60 days	143,778	220,093
61 - 90 days	138,450	178,194
91 - 120 days	136,049	119,112
121 - 365 days	5,697,192	4,512,892
> 365 days	114,486	194,483
	6,936,076	5,582,214

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
5. Receivables from exchange and non-exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers residential		
Current (0 -30 days)	327,662	254,778
31 - 60 days	112,874	90,601
61 - 90 days	109,526	52,063
91 - 120 days	109,281	52,587
121 - 365 days	2,515,376	2,056,575
	3,174,719	2,506,604
Industrial/ commercial		
Current (0 -30 days)	374,774	317,870
31 - 60 days	30,280	83,637
61 - 90 days	27,515	63,198
91 - 120 days	25,474	52,647
121 - 365 days	940,572	1,073,051
	1,398,615	1,590,403
National and provincial government		
Current (0 -30 days)	3,684	4,884
31 - 60 days	624	3,956
61 - 90 days	1,409	3,850
91 - 120 days	1,295	3,837
121 - 365 days	2,241,244	1,274,197
	2,248,256	1,290,724
Total		
Current (0 -30 days)	706,121	577,532
31 - 60 days	143,778	178,194
61 - 90 days	138,450	119,111
91 - 120 days	136,049	109,071
121 - 365 days	5,697,192	4,403,823
> 365 days	114,486	194,483
	6,936,076	5,582,214
Less: Allowance for impairment	(2,863,716)	(2,852,492)
	4,072,360	2,729,722
Allowance for impairment		
Current (0 -30 days)	(131,589)	(84,434)
31 - 60 days	(55,799)	(38,675)
61 - 90 days	(55,519)	(36,478)
91 - 120 days	(110,315)	(79,019)
121 - 365 days	(2,510,494)	(2,613,886)
	(2,863,716)	(2,852,492)
Reconciliation of allowance for impairment		
Balance at beginning of the year	(2,852,492)	(2,538,361)
Contributions to allowance	(517,565)	(1,511,803)
Debt impairment written off against allowance	506,341	1,197,672
	(2,863,716)	(2,852,492)

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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5. Receivables from exchange and non-exchange transactions (continued)

Consumer debtors past due but not impaired

Consumer debtors which are less than 3 months past due are not considered to be impaired. At 30 June 2016, R 996,062 (2015: R874 737 -) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	695,712	577,532
2 months past due	155,741	178,194
3 months past due	144,609	119,111
	996,062	874,837

6. VAT receivable

VAT (SARS)	2,495,265	4,384,199
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7. Investment property

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	31,827,992	(573,162)	31,254,830	31,827,992	(542,995)	31,284,997

Reconciliation of investment property - June 2016

	Opening balance	Depreciation	Total
Investment property	31,284,997	(30,167)	31,254,830

Reconciliation of investment property - June 2015

	Opening balance	Depreciation	Total
Investment property	31,315,163	(30,166)	31,284,997

7.1 Rental Income from Investment Property

Direct income from rentals	1,216,825	1,120,209
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Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
7. Investment property (continued)		
7.2 Details of property		
Land- Shopping Complex		
Erven 229, 735 and 736		
Duration : 50 years		
Termination date : 18 June 2046		
The Rhino centre has 10% of the net rental and 2% is payable to the municipality, whis is calculated on the turnover.		
- Purchase price: 1 July 1996	5,300,000	5,300,000
Building- Hotel and House		
Erven 231 and 232		
Duration : 50 years		
Termination date : 30 November 2061		
Rental income is R148 620 per annum. The rental shall escalate by an amount equivalent to the CPI index every year.		
- Purchase price: 1 December 2011	904,992	904,992
- Accumulated depreciation	(573,162)	(542,995)
	331,830	361,997
Municipal Vacant Properties		
Erven 152		
- Purchase price: 1 July 1997	13,162,000	13,162,000
- Additions since purchase or valuation	2,461,000	2,461,000
	15,623,000	15,623,000
Land - Umzimkhulu Mall		
Erven 155		
Duration: 50 years		
Termination: 31 December 2062		
Rental income is R285 952 per annum. The rental shall escalate by an amount equivalent to CPI index every year, but this escalation shall never be less than 4% nor be greater than 8% per annum.		
- Purchase price: 1January 2013	10,000,000	10,000,000
Land - Shopping Complex	5,300,000	5,300,000
Buildings - Hotel and House	331,830	361,997
Municipal Vacant Properties	15,623,000	15,623,000
Land - Umzimkhulu Mall	10,000,000	10,000,000
Total Investment property	31,254,830	31,284,997

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand

8. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	10,104,000	-	10,104,000	10,104,000	-	10,104,000
Buildings	28,594,475	(8,910,076)	19,684,399	28,594,475	(7,818,100)	20,776,375
Infrastructure Assets	361,163,374	(152,802,233)	208,361,141	335,272,859	(119,657,686)	215,615,173
Community Assets	102,998,092	(11,452,123)	91,545,969	89,165,698	(8,166,079)	80,999,619
Other Fixed Assets	40,093,483	(11,839,616)	28,253,867	26,038,695	(8,137,189)	17,901,506
Capital work in progress	108,547,257	-	108,547,257	86,916,475	-	86,916,475
Total	651,500,681	(185,004,048)	466,496,633	576,092,202	(143,779,054)	432,313,148

Reconciliation of property, plant and equipment - June 2016

	Opening balance	Additions	Loss on scrapping of assets	Capitalised during the year	Transfer out	Depreciation	Impairment loss	Total
Land	10,104,000	-	-	-	-	-	-	10,104,000
Buildings	20,776,375	-	-	-	-	(1,091,976)	-	19,684,399
Infrastructure Assets	215,615,173	-	-	25,890,516	-	(33,144,548)	-	208,361,141
Community Assets	80,999,619	661,000	-	13,171,394	-	(3,286,044)	-	91,545,969
Other fixed assets	17,901,506	14,972,271	(254,098)	-	-	(4,339,712)	(26,100)	28,253,867
Capital work in progress	86,916,475	76,733,894	-	(39,061,910)	(16,041,202)	-	-	108,547,257
	432,313,148	92,367,165	(254,098)	-	(16,041,202)	(41,862,280)	(26,100)	466,496,633

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - June 2015

	Opening balance	Additions	Loss on scrapping of assets	Transfers Out	Capitalised during the year	Depreciation	Impairment loss	Total
Land	10,104,000	-	-	-	-	-	-	10,104,000
Buildings	22,695,716	-	-	-	-	(1,091,970)	(827,371)	20,776,375
Infrastructure Assets	172,399,757	-	-	-	75,538,904	(28,857,931)	(3,465,557)	215,615,173
Community Assets	37,086,075	-	-	1,074,091	46,877,240	(2,507,156)	(1,530,631)	80,999,619
Other fixed assets	13,485,813	6,838,261	(11,266)	-	-	(2,411,302)	-	17,901,506
Capital work in progress	149,046,948	73,854,254	-	(13,568,583)	(122,416,144)	-	-	86,916,475
	404,818,309	80,692,515	(11,266)	(12,494,492)	-	(34,868,359)	(5,823,559)	432,313,148

Depreciation rates

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

9. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,173,461	(530,382)	643,079	841,318	(520,686)	320,632

Umzimkhulu Local Municipality

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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9. Intangible assets (continued)

Reconciliation of intangible assets - June 2016

	Opening balance	Additions	scrapping of assets	Amortisation	Total
Computer software	320,632	502,143	(19,821)	(159,875)	643,079

Reconciliation of intangible assets - June 2015

	Opening balance	Additions	Scrapping of assets	Amortisation	Total
Computer software	167,218	311,979	(42,866)	(115,699)	320,632

10. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Memorial Hall	432,000	(177,000)	255,000	432,000	(252,000)	180,000

Reconciliation of heritage assets- June 2016

	Opening balance	Impairment losses (recognised)/r eversed direct ly in Net assets	Impairment losses recognised	Total
Memorial Hall	180,000	75,000	-	255,000

Reconciliation of heritage assets- June 2015

	Opening balance	Impairment losses (recognised)/r eversed direct ly in Net assets	Total
Memorial Hall	432,000	(252,000)	180,000

11. Payables from exchange transactions

Income received in advanced - contract in process	114,485	194,483
Creditors	547,420	-
Accrued leave pay	2,954,301	2,414,484
Creditors Accruals	2,759,740	688,528
Deposits received	34,791	23,016
Interest payable	-	150,976
Retention	7,940,341	8,011,571
Operating lease creditor	(13,733)	-
Unspent neighbourhood grant (Rollover not approved by Treasury)	612,478	-
	14,949,823	11,483,058

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Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Human settlement housing operating fund	16,528,807	10,564,484
Neighbourhood Grant	-	6,662,183
Small town development Grant	2,000,000	2,940,840
	18,528,807	20,167,507

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

13. Other financial liabilities

At amortised cost

DBSA loan (Electrification)	-	10,000,000
Terms and conditions		

Repayments will be within 7 days from the payment dates of INEP grants to Municipality as they are published in the Government Gazette in terms of the applicable Division of Revenue Act. The capital, together with the interest will be repaid in full on or before 31 January 2016. Interest rate is fixed at 9.00%.

Current liabilities

At amortised cost	-	10,000,000
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14. Employee benefit obligations

Long service awards

Opening balance	1,137,074	925,761
Expense (service and interest cost)	256,135	221,004
Actuarial (gains) losses	352,055	17,795
Actual benefit payments	(14,389)	(27,485)
	1,730,875	1,137,075

Employees who achieve 10 years service will be granted 10 days paid leave. Employees who achieve 15 years service will be granted 20 days paid leave. Employees who achieve 20 years service will be granted 30 days paid leave. Employees who achieve 20/25/30/35/40 and 45 years service will be granted 30 days paid leave. The abovementioned leave is only applicable to those employees who achieve the stated years of services after the effective date of these conditions. The provision is an estimate of the long service award based on the monthly salaries rate at 30 June 2015. It has been assumed that the staff turnover will be insignificant based on historical data. A discount rate of 8.50% (2014 : 8.60%) was used on internal rate of return.

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14. Employee benefit obligations (continued)

Key assumptions used

The financial and demographic assumptions used in the valuation are as follows:

Discount rates used	8.50 %	8.60 %
CPI	6.22 %	6.90 %
Expected increase in salaries	7.22 %	7.90 %
Net discount rate	1.19 %	0.65 %

The mortality rate of an individual is assumed to be 85-90.

The normal retirement age is assumed to be 63 years.

15. Provisions

Reconciliation of provisions - 30 June 2016

	Opening Balance	Utilised during the year	Total
Landfill site provision	2,238,107	186,211	2,424,318

Reconciliation of provisions - 30 June 2015

	Opening Balance	Utilised during the year	Total
Landfill site provision	1,564,405	673,702	2,238,107

Landfill site

The landfill site provision relates to the costs of rehabilitating the landfill site when it reaches the end of its useful life in 2017 and has been discounted to reflect its present value. The discounting rate used is 8.32%.

16. Housing operating account

Opening balance	22,569,566	22,389,178
Interest received	(4,379,782)	180,388
	18,189,784	22,569,566

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17. Accumulated surplus

Reconciliation of accumulated surplus- 30 June 2016

	Opening balance	Surplus for the year	Total
Opening balance	498,284,122	64,094,623	562,378,745

Reconciliation of accumulated surplus- 30 June 2015

	Opening balance	Surplus for the year	Total
Opening balance	458,699,950	39,584,172	498,284,122

18. Interest received - investment

Interest revenue

Bank	4,909,377	3,812,720
Housing operating account	979,337	180,388
	5,888,714	3,993,108

19. Investment Property Rentals

Premises

Facilities and equipment	1,216,825	1,120,209
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20. Service charges

Refuse removal	829,509	765,216
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21. Other revenue

Sundry income	1,105,181	300,806
Dumpsite removal	724,447	829,278
Refund income	99,297	391,156
Cemetery fees	8,837	11,325
Dumping fees	54,006	61,741
Hall fees	25,182	9,531
Seta fund	115,205	100,849
Business tariffs	33,731	40,449
PDA applications	13,789	1,795
Advertising income	39,284	79,565
Building plans and servitudes	64,928	31,008
Waste skips	108,695	92,825
Legal fees income	4,716	10,360
Zoning certificates	1,166	1,911
Library fees	47,939	49,736
Parking bays incme	-	12,125
Impairment reversal	75,000	-
Income received in kind	-	1,096,960
Proceeds on Disposals	249,778	46,928
Insurance claim	363,280	-
	3,134,461	3,168,348

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22. Property rates

Rates raised

Residential	1,521,369	1,271,856
Commercial	3,944,272	3,390,440
State	5,332,203	5,039,403
Less: rebates	(3,500,952)	(3,162,553)
	7,296,892	6,539,146

Valuations

Residential	215,738,000	205,513,000
Commercial	239,975,000	239,975,000
State	668,031,000	662,706,000
Municipal	130,122,500	139,952,500
Small holdings and agriculture	582,579,000	581,894,000
Industrial	2,687,000	2,687,000
Place of worship	10,715,000	10,715,000
Public service infrastructure	9,183,000	9,183,000
Communal property	51,000	51,000
Rural business	-	-
Rural residential	-	-
	1,859,081,500	1,852,676,500

Description

Description	Number of properties	Tariffs
Agriculture	415	0,002
Agricultural smallholding	211	0,002
Commercial	61	0,013
Communal properties	1	0,002
Industrial	2	0,013
Municipal	1,270	0,0064 & 0,0085
Public service infrastructure	74	0,002
Residential	2,577	0,0064 & 0,0085
State owned	226	0,0085
Place of worship	11	0,0085
	4,848	

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. Different rate randage are charged for the various categories of ratepayers. No additional rebates were granted to any categories of ratepayers except for any exemptions and compulsory phasing-in of certain rates as contained in Council's approved Rates Policy.

Old age pensioners were granted 100% subsidy as categorised as indigents and pensioners over 65 years were granted 25% rebate as per Council's approved Rates policy. State properties were granted a 10% rebate and Public Service infrastructures were granted 30% rebate as per Council's approved policy. Rates are levied monthly in 12 equal instalments payable on a monthly basis. Interest is charged at 15.5% on the outstanding balance of service charges, 60% rebate granted for commercial properties as per Council approval.

The new general valuation will be implemented on 01 July 2017.

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23. Government grants and subsidies

Operating grants

Equitable share	151,222,000	116,142,000
FMG Grant	1,800,000	1,800,000
MSIG Grant	930,000	934,000
MIG Admin	1,679,120	1,641,320
Arts and Culture- Library	744,000	681,000
Expanded public works grant	1,872,000	1,913,000
IDP Grant	-	5,000
	158,247,120	123,116,320

Capital grants

Small town development grant	2,940,840	3,677,919
Electrification grant	20,000,000	21,504,000
MIG Grant	46,298,880	36,475,674
Neighbourhood Grant	6,049,705	9,337,817
	75,289,425	70,995,410
	233,536,545	194,111,730

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Human Settlement Housing Operating Fund

Balance unspent at beginning of year	10,564,484	8,961,107
Current-year receipts	5,964,323	1,603,377
	16,528,807	10,564,484

Conditions still to be met - remain liabilities (see note 12).

The purpose of this grant is for infrastructure development.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None.

Finance Management Grant

Current-year receipts	1,800,000	1,800,000
Conditions met - transferred to revenue	(1,800,000)	(1,800,000)
	-	-

The purpose of this grant is to promote sound financial management.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None..

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23. Government grants and subsidies (continued)		
Expanded Public Works Grant		
Current-year receipts	1,872,000	1,913,000
Conditions met - transferred to revenue	(1,872,000)	(1,913,000)
	-	-
The purpose of this grant is to reduce peverty and unemployemnt.		
Withheld/delayed grant : None.		
Reason(s) for conditions not met : None.		
Reason(s) for unspent grant : None.		
Municipal Systems Improvement Grant		
Current-year receipts	930,000	934,000
Conditions met - transferred to revenue	(930,000)	(934,000)
	-	-
The purpose		
.		
Withheld/delayed grant : None.		
Reason(s) for conditions not met : None.		
Reason(s) for unspent grant : None.		
Arts and Culture Grant		
Current-year receipts	744,000	681,000
Conditions met - transferred to revenue	(744,000)	(681,000)
	-	-
The purpose of this grant is to fund the salaries for the Librarians.		
Withheld/delayed grant : None.		
Reason(s) for conditions not met : None.		
Reason(s) for unspent grant : None.		
IDP Grant		
Balance unspent at beginning of year	-	5,000
Conditions met - transferred to revenue	-	(5,000)
	-	-

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23. Government grants and subsidies (continued)

The purpose of this grant is for IDP compilation and its processes.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None.

Municipal Infrastructure Grant

Current-year receipts	47,978,000	41,033,000
Conditions met - transferred to revenue	(47,978,000)	(36,475,674)
Conditions met-off-set on the grant debt	-	(2,916,006)
Conditions met- Transferred to admin costs	-	(1,641,320)
	-	-

The purpose for this grant is for infrastructure development.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None.

Electrification Grant- DoE

Current-year receipts	20,000,000	15,004,000
Conditions met - transferred to revenue	(20,000,000)	(15,004,000)
	-	-

The purpose of this grant is to address electrification backlog of permanently occupied residential dwellings and installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None.

Electrification Grant- Cogta

Current-year receipts	-	3,500,000
Conditions met - transferred to revenue	-	(3,500,000)
	-	-

The purpose of this grant is to address electrification backlog of permanently occupied residential dwellings and installation of bulk infrastructure and rehabilitation of electrification infrastructure

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None.

Electrification Grant- HGDM

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Figures in Rand	2016	2015
23. Government grants and subsidies (continued)		
Current-year receipts	-	3,000,000
Conditions met - transferred to revenue	-	(3,000,000)
	-	-

The purpose of this grant is to address electrification backlog of permanently occupied residential dwellings and installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : None.

Neighbourhood Grant

Balance unspent at beginning of year	6,662,183	-
Current-year receipts	-	16,000,000
Conditions met - transferred to revenue	(6,049,705)	(9,337,817)
To be transferred back to Treasury	(612,478)	-
	-	6,662,183

Conditions still to be met - remain liabilities (see note 12).

The purpose of this grant is for property development in townships, upgrading community facilities and attracting private sector funding and input.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : The amount for this grant was not spent until the approval of the roll over, and the contractor did not perform well which led to the termination of its contract, and the new contractor was appointed, but the time was against them.

Small Town Development Grant

Balance unspent at beginning of year	2,940,840	-
Current-year receipts	2,000,000	8,000,000
Conditions met - transferred to revenue	(2,940,840)	(3,677,920)
Other	-	(1,381,240)
	2,000,000	2,940,840

Conditions still to be met - remain liabilities (see note 12).

The purpose of this grant is for town development or upgrading.

Withheld/delayed grant : None.

Reason(s) for conditions not met : None.

Reason(s) for unspent grant : The grant was only received in March, and the tender had to be re-advertised because we did not get the intended responses in the 1st advertisement.

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24. Revenue

Service charges	829,509	765,216
Investment Property Rentals	1,216,825	1,120,209
Interest received (trading)	217,224	216,896
Other income	3,134,461	3,168,348
Interest received - investment	5,888,714	3,993,108
Property rates	7,296,892	6,539,146
Government grants & subsidies	233,536,545	194,111,730
Fines, Penalties and Forfeits	1,017,630	1,039,450
Learners and licences	664,206	644,748
Motor vehicle registration and licences	368,384	309,557
	254,170,390	211,908,408

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	829,509	765,216
Investment Property Rentals	1,216,825	1,120,209
Interest received (trading)	217,224	216,896
Other Revenue	3,134,461	3,168,348
Interest received - investment	5,888,714	3,993,108
	11,286,733	9,263,777

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	7,296,892	6,539,146
----------------	-----------	-----------

Transfer revenue

Government grants & subsidies	233,536,545	194,111,730
Fines, Penalties and Forfeits	1,017,630	1,039,450
Learners and licences	664,206	644,748
Motor vehicle registration and licences	368,384	309,557
	242,883,657	202,644,631

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25. Employee related costs

Basic	40,069,844	34,584,622
Bonus	2,761,050	2,479,875
Medical aid - company contributions	2,402,953	1,974,644
UIF	277,444	246,326
WCA	584,099	779,391
SDL	611,291	508,832
Leave pay provision charge	781,614	512,353
Leave encashment	1,202,078	-
Bargaining council	13,043	11,194
Pension fund- municipal contributions	3,983,518	3,502,289
Travel, motor car, accommodation, subsistence and other allowances	2,819,128	1,733,276
Overtime payments	1,236,082	674,824
Acting allowances	257,231	144,746
Housing benefits and allowances	1,300,060	1,098,358
Actuarial Losses	352,055	17,796
Cellphone expenses	86,685	-
Added Responsibilities	60,000	-
	58,798,175	48,268,526

Remuneration of Municipal Manager

Annual Remuneration	641,969	602,788
Bonus Contract	91,819	105,374
Backpay	16,578	15,567
Travel Allowance	267,487	251,162
Contribution to UIF, Medical and Pension Funds	160,492	150,697
Cellphone Allowance	23,988	18,000
Subsistence Allowance	10,594	5,133
Leave Encashment	41,156	-
	1,254,083	1,148,721

Remuneration of Chief Finance Officer

Annual Remuneration	539,354	506,435
Bonus Contract	77,142	41,800
Backpay	13,929	1,078
Travel Allowance	134,839	126,609
Contributions to UIF, Medical and Pension Funds	112,366	105,509
Cellphone Allowance	23,988	12,000
Subsistence Allowance	10,410	5,431
Housing Allowance	112,366	105,509
Leave Encashment	34,578	-
	1,058,972	904,371

Remuneration of Infrastructure and Engineering Manager

Annual Remuneration	503,741	472,996
Bonus Contract	72,049	82,685
Backpay	13,009	12,215
Travel Allowance	209,892	197,082
Contributions to UIF, Medical and Pension Funds	83,957	78,833
Cellphone Allowance	23,988	12,000
Subsistence Allowance	22,713	7,682
Housing Allowance	41,978	39,416
Leave Encashment	32,295	-
	1,003,622	902,909

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25. Employee related costs (continued)

Remuneration of Corporate Services Manager

Annual Remuneration	494,135	463,976
Bonus Contract	70,675	81,108
Backpay	12,761	-
Travel Allowance	205,889	193,323
Contributions to UIF, Medical and Pension Funds	123,534	115,994
Cellphone Allowance	23,988	12,000
Subsistence Allowance	21,868	7,216
Leave Encashment	31,679	-
	984,529	873,617

Remuneration of Community and Social Services Manager

Annual Remuneration	494,134	471,486
Bonus Contract	70,675	81,108
Backpay	12,761	-
Travel Allowance	205,889	193,323
Contributions to UIF, Medical and Pension Funds	123,532	115,994
Cellphone Allowance	23,988	12,000
Subsistence Allowance	-	3,798
Leave Encashment	31,679	-
	962,658	877,709

Remuneration of Strategic Planning and Development Manager

Annual Remuneration	494,134	463,976
Bonus Contract	70,675	81,108
Backpay	12,761	-
Travel Allowance	205,889	193,323
Contributions to UIF, Medical and Pension Funds	123,532	115,994
Cellphone Allowance	23,988	12,000
Subsistence Allowance	10,651	3,808
Leave Encashment	31,679	-
	973,309	870,209

26. Remuneration of councillors

Mayor	738,254	687,994
Deputy mayor	590,603	550,395
Executive members	2,328,474	2,167,180
Speaker	590,603	550,395
Chief Whip	553,691	515,996
Councillors' basic allowance	6,268,086	6,111,389
Councillors' travel allowance	961,748	894,391
Councillors' pension fund contribution	1,022,992	952,668
Councillors' medical aid contribution	157,135	146,199
Councillors' cellphone allowances	1,255,543	1,099,054
	14,467,129	13,675,661

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26. Remuneration of councillors (continued)

Ward committee expenses

Councillors' basic allowance includes ward committee expenses of R1 122 000 at 30 June 2016 (2015 : R1 152 500).

In-kind-benefits:

The Mayor has a full time secretary and a driver.

The Deputy Mayor has a full time secretary (sharing the same secretary with the Mayor).

The Speaker has a full time secretary.

Number of employees:

The number of employees was 191 at 30 June 2016 (2015 : 180).

27. Debt impairment

Other receivables	-	44,404
Traffic fines	351,450	90,046
Grants	-	6,319,286
Rates and refuse	517,565	1,511,802
	869,015	7,965,538

Contributions to debt impairment relates to increase in bad debt provision made to traffic fines, and rates and refuse.

28. Depreciation and amortisation

Property, plant and equipment	41,862,278	34,868,359
Investment property	30,166	30,166
Intangible assets	159,875	115,699
	42,052,319	35,014,224

29. Impairment of assets

Impairments

assets	26,100	6,054,985
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30. Interest charges

Trade and other payables	383	4,863
Landfill site	186,211	673,702
Other interest paid	809,007	221,187
	995,601	899,752

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31. General expenses		
Audit and Accounting fees	1,494,763	1,704,609
Administration fees	856,440	435,433
Bank charges	47,213	199,048
Cleaning	670,333	853,499
Consulting and professional fees	8,787,324	6,454,657
Electricity	3,038,290	3,247,879
Entertainment	2,677,914	2,156,504
Equipment hire	1,064,024	1,850,246
Insurance	589,313	468,205
IT expenses	244,615	1,015,113
Grocery distributions	849,193	-
Promotions and sponsorships	380,145	618,936
Motor vehicle expenses	1,783,461	1,927,244
Implementation of property rates	285,968	226,862
Fuel and oil	1,993,383	990,589
Printing and stationery	1,655,102	1,243,859
Security (Guarding of municipal property)	4,852,699	4,734,492
Subscriptions and membership fees	507,834	517,576
Telephone and fax	2,366,263	1,895,311
Transport and freight	968,591	756,430
Training	1,628,455	1,117,081
Subsistence and travelling	4,886,043	4,511,129
Water	52,283	115,554
Uniforms	186,391	591,958
Other operating and administrative expenses	2,393,274	1,485,249
Office Equipment expenses	188,909	140,745
Legal fees	579,910	783,779
Loss on scrapping of assets	273,919	11,266
Pound expenses	23,194	-
	45,325,246	40,053,253

32. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Equipment		
• Contractual amounts	599,740	489,510
Loss on sale of property, plant and equipment	(16,041,202)	(14,164,789)
Impairment on assets	26,100	6,054,985
Amortisation on intangible assets	159,875	115,699
Depreciation on property, plant and equipment	41,862,278	34,868,359
Depreciation on investment property	30,166	30,166
Employee costs	73,265,304	61,944,187

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33. Cash generated from operations		
Surplus	64,094,623	38,583,152
Adjustments for:		
Depreciation and amortisation	42,052,319	35,014,224
Gain on sale of assets and liabilities	16,041,202	14,164,789
Impairment deficit	26,100	6,054,985
Debt impairment	869,015	7,965,538
Movements in retirement benefit assets and liabilities	593,801	211,313
Movements in provisions	186,211	673,702
Other non-cash items	198,919	212,227
Prior period errors	-	(233,798)
Other non-cash items	(4,379,782)	-
Other non-cash items	16,041,202	(362,402)
Changes in working capital:		
Receivables from exchange transactions	(791,449)	(9,628)
Consumer debtors	(2,211,653)	(7,055,707)
Other receivables from non-exchange transactions	(64,850)	10,352,528
Payables from exchange transactions	3,466,765	(649,396)
VAT	1,888,934	(2,663,762)
Unspent conditional grants and receipts	(1,638,700)	11,201,400
	136,372,657	113,459,165

34. Contingent liabilities

Legal claims

Various claims submitted to the municipality are in the process of being resolved. The estimated liability of such claims, should the claimant be successful, is disclosed.

Legal disputes relate to:

- Failure to comply with the acknowledgement of debt	7,000	4,500
- Invasion of Municipal Land and Illegal structure	20,000	8,000
- Municipal investigations and employees dispute	8,000	13,000
- Default judgements	16,000	6,000
- Breach of contract	14,000	16,500
- Outstanding settlements	15,000	7,000
	80,000	55,000

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35. Commitments

35.1 Authorised capital expenditure

Authorised and Contracted

• Buildings	12,795,244	16,016,956
• Community	8,709,862	3,780,198
• Infrastructure	18,919,147	9,241,851
	40,424,253	29,039,005

Authorised but not yet contracted

• Infrastructure	12,948,519	-
------------------	------------	---

Total capital commitments

Already contracted for but not provided for	40,424,253	29,039,005
Not yet contracted for and authorised by accounting officer	12,948,519	-
	53,372,772	29,039,005

The amounts of commitments include VAT

35.2 Operating leases - as lessee (expense)

At the reporting date the Municipality has outstanding commitments under operating leases which fall due as follows:

Minimum lease payments due

- within one year	303,720	321,718
- in second to fifth year inclusive	576,289	-
	880,009	321,718

8 Photocopy Machines(Konica Minolta) : The Municipality had a lease agreement of the machines that started in 1/12/2012, and ended in 31 December 2015.

8 Photocopy Machines (Nashua): The municipality then entered into new lease agreement of 8 machines that started on 1st of June 2016, and the monthly rental is payable at the end of each month over the period of 36 months.

35.3 Operating leases - as lessor (income)

Minimum lease payments due

- within one year	1,448,109	1,304,904
- in second to fifth year inclusive	2,890,611	2,649,520
- later than five years	20,319,025	16,948,261
	24,657,745	20,902,685

The municipality leased vacant land to a property developers whom has developed a shopping complex, Rhino Centre and Umzimkhulu Hotel. The lease agreement has a term of 50 years. The rental shall escalate by an amount equivalent to the the CPI index, rounded of to the nearest rand, which the escalation will be effective on the commencement date every year. The Rhino centre has 10% of the nett rental plus 2%payable to the municipality, which is calculated on the turnover of each site. Rentals will be recognised when the lessee is invoiced and will not be smooth over the period of the lease.

Umzimkhulu Mall and Hotel commitments have been calculated and will not perform the smoothing on a straight-line over the period of the lease.

Umzimkhulu Local Municipality

(Registration number KZN435)

Financial Statements for the year ended 30 June 2016

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36. Risk management

36.1 Financial risk management

The Municipality has exposure to the following risks from its use of financial instruments:

Liquidity Risk
Interest Rate Risk
Credit Risk

This note presents information about the Municipality's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

The Council and the Municipal Manager have overall responsibility for the establishment and oversight of the Municipality's risk management framework. The Municipality's risk management policies are established to identify and analyse the risks faced by the Municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Municipality's activities.

The Municipality through its training and management standards and procedures, aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations

The Municipal Manager is of the opinion that the values reflected in the financial statements are a true reflection of fair values of both the financial assets and liabilities.

The fair value of consumer debtors is estimated to be the actual receipts expected adjusted for possibility of doubtful debt. Payables are settled within 30 days of receipt of invoice and therefore are reflected at the settlement amount.

Financial Assets

Petty cash	96	166
Bank balances	419,953	1,011,718
Short-term deposits	111,325,115	93,271,133
Receivables from exchange transactions	709,901	29,122
Receivables from non exchange transactions	419,450	354,600
Other receivables from exchange and non-exchange transactions	4,072,360	2,729,722
	116,946,875	97,396,461

Financial Liabilities

Payables from exchange transactions	14,337,344	11,483,058
Unspent conditional grants	19,141,285	20,167,507
Other financial liabilities	-	10,000,000
	33,478,629	41,650,565

36.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Payables from exchange transactions	14,337,344	11,483,058
Other financial liabilities	-	10,000,000
	14,337,344	21,483,058

Umzimkhulu Local Municipality

(Registration number KZN435)

Financial Statements for the year ended 30 June 2016

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36. Risk management (continued)

36.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. The Municipality's level of borrowing and consequently the debt servicing costs are closely monitored and controlled by the EXCO having regard to the prevailing and projected interest rates and the Municipality's capacity to service such debt from future earnings.

Balances exposed to the interest rate risk:

Bank balances	419,953	1,011,718
Short-term deposits	111,325,115	93,271,133
Other financial liabilities	-	(10,000,000)
	111,745,068	84,282,851

36.4 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will default on its obligation to the Municipality, thereby causing financial loss to the Municipality. It is the Municipality's policy that all customers who wish to trade on credit terms are subject to payment of a deposit. In addition, receivable balances are monitored on an ongoing basis with the result that the Municipality's exposure to bad debts is not significant. A provision is made for doubtful debts. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Receivables from exchange transactions	709,901	29,122
Receivables from non exchange transactions	419,450	354,600
Other receivables from exchange and non exchange transactions	4,072,360	2,729,722
	5,201,711	3,113,444

37. Fruitless and wasteful expenditure

Opening balance	-	3,045
written off by Council	-	(3,045)
	-	-

38. Irregular expenditure

Opening balance	2,253,500	1,146,200
add: Irregular expenditure- current year	466,610	1,107,300
Less: Amount written off by Council	(2,720,110)	-
	-	2,253,500

The irregular expenditure relates to the renewal of contract in the prior financial years that was presented and approved by the council, but was found to be non-compliant with the Supply Chain Regulations in the current financial, this was all written-off by council.

39. Unauthorised expenditure

There was no unauthorised expenditure in the financial year.

Umzimkhulu Local Municipality

(Registration number KZN435)

Financial Statements for the year ended 30 June 2016

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40. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	500,000	500,000
Amount paid - current year	(500,000)	(500,000)
	-	-

Audit fees

Current year subscription / fee	1,494,763	1,704,609
Amount paid - current year	(1,494,763)	(1,704,609)
	-	-

PAYE and UIF

Current year subscription / fee	9,789,858	8,252,355
Amount paid - current year	(9,789,858)	(8,252,355)
	-	-

VAT

VAT receivable	2,495,265	4,384,199
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All VAT returns have been submitted by the due date throughout the year.

41. Related parties

Related party transactions

Section 57 employees

Remuneration	6,237,173	5,577,536
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Councillors

Remuneration	14,467,129	13,675,661
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Councilors lease rentals

MB Mpabanga	4,620	4,270
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Employees lease rentals

N. Tyekela	13,308	-
K. Dweba	13,308	25,200

42. Deviation from supply chain management regulations

No deviations occurred during the this financial year.

43. Events after the reporting date

The Heritage asset (Memorial hall) is currently undergoing major renovations that could have a significant impact on its value in future.

No other material category of non-adjusting events took place after the reporting date.

Umzimkhulu Local Municipality

(Registration number KZN435)

Financial Statements for the year ended 30 June 2016

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44. Prior period errors

Community assets were understated by a consultant amount of R196 331 that should have been raised as an accrual and an amount of R1 377 040 of Magqagqeni community hall that was not recorded in the asset register.

Infrastructure assets were understated by a consultant amount of R37 472 that should have been raised as an accrual. Creditors accrual were understated by the amount of the R233 803

The Accumulated depreciation for Community assets and Infrastructure assets were understated by R332 324, and R832 respectively.

Intangible assets that have expired and were replaced in the previous year were still in the asset register, thus overstating the book value of intangible assets by R42 865

Salaries and repairs and maintenance were understated by R2 632 648 and R459 111 respective while the poverty alliviation was overstated by R3 091 759

Additional text

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Community Assets	-	1,573,371
Infrastructure assets	-	37,472
Intangible assets	-	(510,932)
Creditors Accruals	-	(233,803)
Accumulated Depreciation Community Assets	-	(332,324)
Accumulated Depreciation Infrastructure Assets	-	(832)
Accumulated Amortisation- Intangible Assets	-	468,067
Opening Accumulated Surplus	-	(1,003,684)

Statement of Financial Performance

Depreciation expense	-	30,207
Salaries	-	2,632,648
Repairs and Maintenance	-	459,111
Poverty Alliviation	-	(3,091,759)

45. Awards to close family members of persons in the service of the state

Supplier name	Director's name	person in the service of state	Position of Employee	awarded amount
Tower City Trading	Andile Mbalo	Kholeka Mbalo	Community and Social Services Manager	2,000,000



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Auditor-General of South Africa

UMzimkhulu Local Municipality - audit report 2015-16

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on UMzimkhulu Local Municipality

Report on the financial statements

Introduction

1. I audited the financial statements of the UMzimkhulu Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the UMzimkhulu Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairments

7. Trade and other receivables from exchange and non-exchange transactions as disclosed in note 5 to the financial statements was impaired by R2,86 million (2014-15: R2,85 million). This was as a result of an annual review of the collectability of consumer debts.

Additional matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for basic service delivery objective presented in the annual performance report of the municipality for the year ended 30 June 2016.
12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
13. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objective. I further performed tests to

determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. The material findings in respect of the selected objective are as follows:

Basic service delivery

Usefulness of reported performance information

Measurability of indicators and targets

Performance targets not measurable and indicators not verifiable

16. The FMPPI requires that performance targets should be measurable. We could not measure the required performance for 27% of the targets.
17. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 27% of indicators were not verifiable.

Relevance of indicators

Performance indicators not relevant

18. A total of 47% of indicators did not relate logically and directly to an aspect of the auditee's mandate and the realisation of strategic goals and objectives as per the five year integrated development plan, as required by the FMPPI.

Reliability of reported performance information

19. The FMPPI requires municipality's to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided.

Additional matters

20. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Achievement of planned targets

21. The annual performance report on pages x to x and x to x which includes information on the achievement of the planned targets for the year should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected objective reported in paragraphs 16 to 19 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the basic service delivery objective. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

24. Revisions to the service delivery and budget implementation plan were not approved by the council as required by section 54(1)(c) of the MFMA.
25. The performance management system and related controls were inadequate as it did not describe and represent the processes of performance planning, measurement, and how it is conducted, organised and managed, including determining the roles of the different role-players, as required by section 38 of the MSA and Municipal Planning and Performance Management Regulation 7.

Annual financial statements

26. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
27. The oversight report adopted by the council on the 2014-15 annual report was not made public, as required by section 129(3) of the MFMA.

Internal control

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

29. Leadership did not adequately oversee and monitor the internal controls to ensure that effective measures were taken to address accurate and reliable performance information and compliance with key legislation relating to strategic and performance management.

Financial and performance management

30. Checklists were not in place to monitor compliance with legislation relating to strategic planning and performance management and the annual financial statements.
31. Management did not develop technical indicator descriptions and pre-determined minimum portfolio of evidence to support accurate and reliable reporting of performance information.



Pietermaritzburg
30 November 2016



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